

**【Note】This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.**

Securities Code: 6460
June 1, 2022

Haruki Satomi
President, Representative Director
SEGA SAMMY HOLDINGS INC.
Sumitomo Fudosan Osaki Garden Tower,
1-1-1 Nishi-Shinagawa, Shinagawa-ku,
Tokyo, Japan

Dear Shareholders:

Notice of the 18th Ordinary General Meeting of Shareholders to be held on June 22, 2022

We inform you that the 18th Ordinary General Meeting of Shareholders of SEGA SAMMY HOLDINGS INC. (the “Company”) will be held at the Head Office of SEGA SAMMY Group (LIGHTHOUSE Hall, 11F, GRAND HARBOR, Sumitomo Fudosan Osaki Garden Tower, 1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo, Japan) on Wednesday, June 22, 2022 at 10:00 a.m. for the purposes listed below.

You are cordially requested to avoid attending the meeting as much as possible to prevent the spread of the novel coronavirus disease (COVID-19) and to exercise your voting rights by either mail (in writing) or via the Internet. Therefore, please review the attached Reference Documents for General Meeting of Shareholders, and kindly exercise your voting rights before 6:00 p.m., Japan Standard Time, on Tuesday, June 21, 2022.

Details of the Meeting

- 1. Date and time:** Wednesday, June 22, 2022 at 10:00 a.m. (Reception commences at 9:00 a.m.)
- 2. Venue:** LIGHTHOUSE Hall, 11F, GRAND HARBOR,
Head Office of SEGA SAMMY Group
Sumitomo Fudosan Osaki Garden Tower,
1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo, 141-0033, Japan

3. Agenda:

- Matters to be reported:**
1. The Business Report and the Consolidated Financial Statements for the 18th fiscal year (from April 1, 2021 to March 31, 2022) and results of audits by the Independent Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 18th fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- Proposal 1:** To amend certain parts of the Articles of Incorporation
- Proposal 2:** To elect eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal 3:** To elect four (4) Directors serving as Audit and Supervisory Committee Members
- Proposal 4:** To elect one (1) Substitute Director serving as Audit and Supervisory Committee Member
- Proposal 5:** To determine the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal 6:** To determine the amount of remuneration for Directors serving as Audit and Supervisory Committee Members
- Proposal 7:** To determine stock compensation program with restriction on transfer for Directors (excluding Directors serving as Audit and Supervisory Committee Members)

* If you attend the meeting in person, please submit the enclosed voting form at the reception desk at the meeting location on the

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

day of the meeting.

- * Please note that persons other than shareholders of the Company such as a proxy and an accompanying person cannot attend the meeting.
- * Should any change need to be made to the Reference Documents for General Meeting of Shareholders, Business Report or Consolidated/Non-Consolidated Financial Statements, such changes shall be posted on the website of the Company.
- * For voting results, an extraordinary report shall be posted on the website of the Company in place of the Notice of Resolutions. Information in English will be posted on our English website.
- * We will take appropriate measures to prevent COVID-19 according to the circumstance on the day of the meeting. Should any significant change need to be made to the operation of the meeting in response to circumstances, such changes shall be posted on the website of the Company. Please check the updated information on our English website.
(<https://www.segasammy.co.jp/english/ir/stock/meeting/>).

Pursuant to the provisions of laws and regulations and the Articles of Incorporation, the following matters are posted on the website of the Company and not attached to this document.

- **Business Report**

- Company's Share Subscription Rights

- Independent Auditors

- Outline of Resolutions Regarding Preparation of Internal Control System and so forth to Ensure Appropriate Business Execution

- **Consolidated Financial Statements**

- Consolidated Statement of Changes in Net Assets

- Notes to Consolidated Financial Statements

- **Non-Consolidated Financial Statements**

- Non-Consolidated Statement of Changes in Net Assets

- Notes to Non-Consolidated Financial Statements

* Corporate Auditors and the Independent Auditor have audited the documents subject to audit which include information posted on the Company's website.

The Company's website: <https://www.segasammy.co.jp/english/ir/stock/meeting/>

Information on Exercise of Voting Rights

We recognize that the shareholders' voting right to be exercised in the General Meeting of Shareholders is an important right for our shareholders.

Please review the attached Reference Documents for General Meeting of Shareholders, and we respectfully request that you exercise your voting rights.

The following three methods are available for exercising your voting rights.

Not attending the meeting in person

Exercise of your voting rights in writing

Please indicate "for" or "against" the proposals on the enclosed voting form and return it by mail to the Company.

Deadline: Tuesday, June 21, 2022, 6:00 p.m. (time of receipt)

Exercise of your voting rights via the Internet

Please enter "for" or "against" the proposals following the instructions on the voting website on pages 5-6.

Deadline: Tuesday, June 21, 2022 by 6:00 p.m.

Attending the meeting in person

Exercise of your voting rights on-site at the meeting

Please submit the enclosed voting form at the reception desk of the venue.

Date and time of the meeting: Wednesday, June 22, 2022 at 10:00 a.m.

Guidelines on filling out the voting form

Please indicate "for" or "against" for each of the proposals in the voting form.

Proposals 1, 4, 5, 6 and 7

- To approve, circle "贊" mark.
- To disapprove, circle "否" mark.

Proposals 2 and 3

- To approve all nominees, circle "贊" mark.
- To disapprove all nominees, circle "否" mark.
- To disapprove part of nominees, circle "贊" mark and enter the number of nominees whom you are against.

Notice regarding prevention of COVID-19

You are cordially requested to avoid attending the meeting in person to prevent the spread of COVID-19 and to exercise your voting rights by either in writing or via the Internet.

Information on Exercise of Voting Rights via the Internet, etc.

Please read the following when you exercise your voting rights via the Internet.

Deadline for Exercise of Voting Rights: Tuesday, June 21, 2022 by 6:00 p.m.

* Please exercise your voting rights as soon as possible.

By scanning the QR code

Scan the “QR code for login” and you can log on to the voting website without entering the “voting rights exercise code” and “temporary password”.

***Voting right using the following method can be exercised only once.**

1. Scan the QR code.

Use your smartphone and scan the “QR code for login” printed on the right-hand side of the enclosed voting form slip.

2. Select the option of exercise of voting rights.

The screen displays available options for exercise of voting rights. Select your preferred option for exercise of voting rights.

3. Select “for” or “against” each proposal.

Follow the on-screen instructions and select “賛成(for)” or “反対(against)” each proposal.

Follow the on-screen instructions to complete your exercise of voting rights.

For login for the second time onward

Please follow the instructions on the next page.

■Electronic proxy voting platform for institutional investors

Institutional investors can use the electronic proxy voting platform that is operated by Investor Communications Japan, Inc., which is designed for institutional investors to exercise their voting rights electronically.

FAQs for exercise of voting rights

Q: If the voting rights are exercised both in writing and via the Internet, which one is valid?

A: The Internet vote will be deemed as valid.

Q: If voting rights are exercised more than once via the Internet, are all of the votes valid?

A: If voting rights are exercised more than once, the last vote will be deemed as valid.

By entering the “voting rights exercise code” and “temporary password”

1. Access the voting website.

Voting website

<https://evote.tr.mufg.jp/>

Click “次の画面へ(Proceed)”.

2. Enter the “voting rights exercise code” and “temporary password” printed on the right-hand side of the enclosed voting form slip.

Click “ログイン(Login)”.

3. Fill in the fields “New Password” and “New Password (for confirmation).”

Click “送信(Send)”.

Follow the on-line instructions and enter “for” or “against”.

Notes on use

Handling of the voting website

You can exercise your voting rights via the Internet by accessing the voting website (<https://evote.tr.mufg.jp/>) using your personal computer or smartphone (except from 2:00 a.m. to 5:00 a.m.).

About Internet access

1. You may be unable to use the voting website depending on your Internet configuration, your subscription service, or the device you use.
2. Please note that any costs incurred in using the designated voting website, such as Internet connection fees and communication charges, shall be borne by the shareholder.

Handling of passwords

To prevent unauthorized access or falsification of the content for exercising voting rights by a person other than a shareholder, shareholders who exercise voting rights via the Internet are kindly requested to change the “temporary password” on the voting website.

For inquiries concerning operating procedures for the voting website:

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation

Toll-free line: 0120-173-027 (Domestic [Japan] call only)

Hours: 9:00 a.m. - 9:00 p.m.

Reference Documents for General Meeting of Shareholders

Proposals and reference information

Proposal 1: To amend certain parts of the Articles of Incorporation

1. Reasons for the amendments

- (1) The Act for Partial Revision of the Companies Act (Act No. 70 of 2019) permits the electronic provision of reference documents for general meetings of shareholders, etc. and the book-entry share-issuing company (a listed company) will be obliged to stipulate in its Articles of Incorporation that it will take measures for the electronic provision of the information contained in reference materials for general meetings of shareholders, etc. from the date of enforcement of Revised Companies Act pertaining to electronic provision measures. Accordingly, the Company will make necessary changes to the Articles of Incorporation.
- (2) The Company has decided to transfer to a company with an Audit and Supervisory Committee in order to further strengthen the supervisory function of Board of Directors meeting and corporate governance, and to further enhance the soundness and efficiency of management. In accordance with this, the Company will make necessary changes including the establishment of new provisions regarding the Audit and Supervisory Committee and members of the committee, the deletion of provisions regarding Audit & Supervisory Board Member and the Audit & Supervisory Board, and the establishment of new provisions regarding the delegation of authority to directors. These amendments to the Articles of Incorporation shall take effect at the conclusion of this General Meeting of Shareholders.
- (3) The Company has introduced an executive officer system for the purpose of prompt decision-making and clarification of responsibilities related to business execution. We will change the language of Article 35 of the current Articles of Incorporation in order to make the method of appointment of executive officers more in line with the current situation. This amendment to the Articles of Incorporation shall take effect at the conclusion of this General Meeting of Shareholders.

2. Contents of the amendments

(The underlines show the portions to be amended)

Present Articles of Incorporation	Proposed amendment
Article 1 to 11 (Descriptions omitted)	Article 1 to 11 (Not amended)
Article 12 (Record date) 12.1 (Descriptions omitted)	Article 12 (Record date) 12.1 (Not amended)
12.2 In addition to the case of the preceding paragraph or Article 54, the Company may, by giving prior public notice, set a certain date as record date by a resolution of the Board of Directors, if it is necessary in order to define persons entitled to exercise their rights as shareholders or registered share pledgees.	12.2 In addition to the case of the preceding paragraph or Article 50, the Company may, by giving prior public notice, set a certain date as record date by a resolution of the Board of Directors, if it is necessary in order to define persons entitled to exercise their rights as shareholders or registered share pledgees.
Article 13 to 15 (Descriptions omitted)	Article 13 to 15 (Not amended)
<u>Article 16 (Deemed provision and disclosure via the Internet of reference materials, etc. for general meetings of shareholders)</u> <u>Regarding convocation of general meetings of shareholders, the Company may be deemed to have provided shareholders with information pertaining to items that the Company is required to describe or present in reference materials for general meetings of</u>	(To be deleted)

Present Articles of Incorporation	Proposed amendment
<p><u>shareholders, business reports, and non-consolidated and consolidated financial statements, if such information is disclosed via the Internet in accordance with relevant ordinances of the Ministry of Justice.</u></p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Article 16 (Measures for electronic provision, etc.)</u></p> <p><u>16.1 Upon convening general meetings of shareholders, the Company shall provide the information contained in the reference documents, etc., for such meetings electronically.</u></p> <p><u>16.2 The Company may elect not to state all or part of the matters prescribed by the relevant ordinances of the Ministry of Justice among the matters subject to the electronic provision, in the documents to be delivered to the shareholders who have requested such delivery by the record date for voting rights.</u></p>
<p>Article 17 to 20 (Descriptions omitted)</p>	<p>Article 17 to 20 (Not amended)</p>
<p>Article 21 (Number of Directors) The Company shall have no more than fifteen (15) Directors.</p> <p>(Newly established)</p>	<p>Article 21 (Number of Directors)</p> <p><u>21.1 The Company shall have no more than fifteen (15) Directors (excluding those who are audit and supervisory committee members).</u></p> <p><u>21.2 The Company shall have no more than five (5) Directors who are audit and supervisory committee members (hereinafter “Audit and Supervisory Committee Members”).</u></p>
<p>Article 22 (Election of Directors)</p> <p>22.1 (Descriptions omitted)</p> <p>22.2 (Descriptions omitted)</p> <p>(Newly established)</p>	<p>Article 22 (Election of Directors)</p> <p>22.1 (Not amended)</p> <p>22.2 (Not amended)</p> <p><u>22.3 Directors shall be elected by a resolution of the general meeting of shareholders that differentiates between those who would be Audit and Supervisory Committee Members and those who would not be such members.</u></p>
<p>Article 23 (Term of office of Directors)</p> <p>23.1 (Descriptions omitted)</p> <p><u>23.2 The term of office of a director elected to fill a vacancy shall expire when that of a retired director would otherwise expire.</u></p> <p><u>23.3 The term of office of a director elected to increase the number of directors shall be the same as the remainder of the term of office of other incumbent directors.</u></p> <p>(Newly established)</p>	<p>Article 23 (Term of office of Directors)</p> <p>23.1 (Not amended)</p> <p>23.2 (To be deleted)</p> <p>23.3 (To be deleted)</p> <p><u>23.2 Notwithstanding the provisions of the preceding paragraph, the term of office for Audit and Supervisory Committee Members shall be until the conclusion of the ordinary general meeting of shareholders pertaining to the last fiscal year</u></p>

Present Articles of Incorporation	Proposed amendment
(Newly established)	<u>ending within two (2) years after their election.</u> 23.3 The term of office of an <u>Audit and Supervisory Committee Member</u> elected to fill a vacancy shall <u>expire upon the expiry of the term of office for the retired Audit and Supervisory Committee Member.</u>
(Newly established)	23.4 The effective term of the resolution for the election of an <u>Audit and Supervisory Committee Member</u> who is elected to fill a vacancy, pursuant to <u>Article 329, paragraph 3 of the Companies Act</u> , shall be <u>until the beginning of the ordinary general meeting of shareholders pertaining to the last fiscal year ending within two (2) years from their election, unless shortened by such resolution.</u>
<p>Article 24 (Executive Directors) By a resolution of the Board of Directors, one President shall be appointed, and a few Chairpersons, Vice Chairpersons, Senior Vice Presidents, Senior Managing Directors and Managing Directors may be appointed if necessary.</p>	<p>Article 24 (Executive Directors) By a resolution of the Board of Directors, one President shall be appointed <u>from among the Directors who are not Audit and Supervisory Committee Members</u>, and a few Chairpersons, Vice Chairpersons, Senior Vice Presidents, Senior Managing Directors and Managing Directors may be appointed if necessary.</p>
<p>Article 25 (Representative Directors) 25.1 (Descriptions omitted) 25.2 In addition to the foregoing section, the Company may, by a resolution of the Board of Directors, elect representative directors if necessary and each such director shall represent the Company.</p>	<p>Article 25 (Representative Directors) 25.1 (Not amended) 25.2 In addition to the foregoing section, the Company may, by a resolution of the Board of Directors, elect representative directors <u>from among the Directors who are not Audit and Supervisory Committee Members</u> if necessary and each such director shall represent the Company.</p>
<p>Article 26 (Descriptions omitted)</p>	<p>Article 26 (Not amended)</p>
<p>Article 27 (Convocation of meeting of the Board of Directors) 27.1 To convene a meeting of the Board of Directors, a notice of convocation shall be dispatched to each Director <u>and each Corporate Auditor</u> no later than three days prior to the date of the meeting; provided, however, that this period may be shortened in case of a compelling emergency. 27.2 If the agreement of all the directors <u>and auditors</u> is obtained, a meeting of the Board of Directors may be held without following the convocation procedures.</p>	<p>Article 27 (Convocation of meeting of the Board of Directors) 27.1 To convene a meeting of the Board of Directors, a notice of convocation shall be dispatched to each Director no later than three days prior to the date of the meeting; provided, however, that this period may be shortened in case of a compelling emergency. 27.2 If the agreement of all the directors is obtained, a meeting of the Board of Directors may be held without following the convocation procedures.</p>
<p>Article 28 (Descriptions omitted)</p>	<p>Article 28 (Not amended)</p>
<p>Article 29 (Omission of resolution of Board of Directors) If all the Directors agree to a matter to be resolved by the Board of Directors either in writing or with an electromagnetic record, the matter to be resolved shall</p>	<p>Article 29 (Omission of resolution of Board of Directors) If all the Directors agree to a matter to be resolved by the Board of Directors either in writing or with an electromagnetic record, the matter to be resolved shall</p>

Present Articles of Incorporation	Proposed amendment
<p>be deemed to have been passed by resolution of the Board of Directors; <u>provided, however, that this shall not apply in the event that any Corporate Auditor disapproves.</u></p>	<p>be deemed to have been passed by resolution of the Board of Directors.</p>
<p>(Newly established)</p>	<p><u>Article 30 (Delegation of decisions on the execution of business to Directors)</u> <u>The Company may delegate all or part of the decisions on the execution of important business matters to the Directors by a resolution of the Board of Directors, pursuant to Article 399-13, paragraph 6 of the Companies Act (excluding the matters set forth in each item of paragraph 5 of the said Article).</u></p>
<p><u>Article 30 (Minutes of Board of Directors' meetings)</u> <u>30.1</u> Concerning the proceedings of a meeting of the Board of Directors, a summary of the proceedings, the result thereof and other items prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting. The chairperson, and the Directors and Corporate Auditors who attended the meeting shall sign, affix their names and seals to, or place electronic signatures on the minutes.</p>	<p><u>Article 31 (Minutes of Board of Directors' meetings)</u> <u>31.1</u> Concerning the proceedings of a meeting of the Board of Directors, a summary of the proceedings, the result thereof and other items prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting. The chairperson and the Directors who attended the meeting shall sign, affix their names and seals to, or place electronic signatures on the minutes.</p>
<p><u>30.2</u> (Descriptions omitted)</p>	<p><u>31.2</u> (Not amended)</p>
<p>Article <u>31</u> to <u>32</u> (Descriptions omitted)</p>	<p>Article <u>32</u> to <u>33</u> (Not amended)</p>
<p><u>Article 33 (Compensation etc. for Directors)</u> Compensation etc. for Directors shall be determined by a resolution of the general meeting of shareholders.</p>	<p><u>Article 34 (Compensation etc. for Directors)</u> Compensation etc. for Directors shall be determined by a resolution of the general meeting of shareholders <u>that differentiates between Directors who are Audit and Supervisory Committee Members and those who are not.</u></p>
<p><u>Article 34</u> (Descriptions omitted)</p>	<p><u>Article 35</u> (Not amended)</p>
<p><u>Article 35 (Executive Officer)</u> <u>35.1</u> The Company <u>may have a few</u> Executive Officers based on a resolution of the Board of Directors.</p>	<p><u>Article 36 (Executive Officer)</u> <u>36.1</u> The Company <u>shall elect</u> Executive Officers based on a resolution of the Board of Directors.</p>
<p><u>35.2</u> (Descriptions omitted)</p>	<p><u>36.2</u> (Not amended)</p>
<p><u>Article 36</u> (Descriptions omitted)</p>	<p><u>Article 37</u> (Not amended)</p>
<p><u>CHAPTER V CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</u></p>	<p><u>CHAPTER V AUDIT AND SUPERVISORY COMMITTEE</u></p>
<p><u>Article 37 (Corporate Auditors and Board of Corporate Auditors)</u> The Company shall have Corporate Auditors and a Board of Corporate Auditors.</p>	<p><u>Article 38 (Audit and Supervisory Committee)</u> The Company shall have an Audit and Supervisory Committee.</p>

Present Articles of Incorporation	Proposed amendment
<p>Article 38 (Number of Corporate Auditors) <u>The Company shall have no more than five (5) Corporate Auditors.</u></p>	(To be deleted)
<p>Article 39 (Election of Corporate Auditors) <u>A resolution for election of Corporate Auditors shall be adopted, in a general meeting of shareholders, by a majority of the votes of the shareholders who attend the meeting and represent not less than one third of the aggregate voting rights of all shareholders entitled to exercise their voting rights.</u></p>	(To be deleted)
<p>Article 40 (Term of office of Corporate Auditors) <u>40.1 The term of office for Corporate Auditors shall be until the conclusion of the ordinary general meeting of shareholders pertaining to the last fiscal year ending within four years after their election.</u></p>	(To be deleted)
<p><u>40.2 In the event that Corporate Auditors are newly elected to fill vacancies, their term of office shall be conterminous with the remaining term of office of the retired Corporate Auditors.</u></p>	(To be deleted)
<p><u>40.3 A resolution for election of Substitute Corporate Auditors adopted in accordance with Article 329, paragraph 3 of the Corporate Law shall be effective until the conclusion of the ordinary general meeting of shareholders pertaining to the last fiscal year ending within one year after their election.</u></p>	(To be deleted)
<p><u>40.4 In the event that Substitute Corporate Auditors specified in the preceding paragraph assume office as Corporate Auditors, their term of office shall be conterminous with the remaining term of office of the retired Corporate Auditors.</u></p>	(To be deleted)
<p>Article 41 (Standing Corporate Auditors) <u>The Board of Corporate Auditors shall elect Standing Corporate Auditors from among the Corporate Auditors.</u></p>	<p>Article 39 (Standing Audit and Supervisory Committee Members) <u>The Audit and Supervisory Committee may appoint Standing Audit and Supervisory Committee Members by its resolution.</u></p>
<p>Article 42 (Convocation of Meeting of the Board of Corporate Auditors) <u>42.1 Notice of a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor three (3) days prior to the date of said meeting; provided, however, that this period may be shortened in the case of an urgency.</u> <u>42.2 With the agreement of all the Corporate Auditors, a meeting of the Board of Corporate Auditors may be held without following the procedures for convocation.</u></p>	<p>Article 40 (Convocation of a meeting of the Audit and Supervisory Committee) <u>40.1 Notice of a meeting of the Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee Member three (3) days prior to the date of said meeting; provided, however, that this period may be shortened in the case of an urgency.</u> <u>40.2 With the agreement of all the Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the procedures for convocation.</u></p>
<p>Article 43 (Resolutions of Meeting of the Board of Auditors) <u>Except as otherwise provided by laws and regulations,</u></p>	<p>Article 41 (Resolutions of the Audit and Supervisory Committee) <u>Resolutions of the Audit and Supervisory Committee</u></p>

Present Articles of Incorporation	Proposed amendment
<p><u>resolution of the Board of Statutory Auditors of the Company shall be adopted by a majority of Statutory Auditors present at a meeting.</u></p>	<p>shall be adopted at a meeting attended by a majority of <u>Audit and Supervisory Committee Members if such majority approves such resolutions.</u></p>
<p>Article 44 (Minutes of <u>Board of Corporate Auditors' meeting</u>) Concerning the proceedings of a meeting of the <u>Board of Corporate Auditors</u>, a summary of the proceedings, the result thereof and other items prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting, and <u>the Corporate Auditors</u> who attended the meeting shall sign, affix their names and seals to, or place electronic signatures on the minutes.</p>	<p>Article 42 (Minutes of <u>the Audit and Supervisory Committee meetings</u>) Concerning the proceedings of a meeting of <u>the Audit and Supervisory Committee</u>, a summary of the proceedings, the result thereof and other items prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting, and <u>the Audit and Supervisory Committee Members</u> who attended the meeting shall sign, affix their names and seals to, or place electronic signatures on the minutes.</p>
<p>Article 45 (Regulations of <u>Board of Corporate Auditors</u>) Other matters relating to <u>the Board of Corporate Auditors</u> shall comply with the regulations of <u>the Board of Corporate Auditors</u> separately adopted by the <u>Board of Statutory Auditors</u>, unless otherwise provided for by laws and regulations or these Articles of Incorporation.</p>	<p>Article 43 (Regulations of <u>the Audit and Supervisory Committee</u>) Other matters relating to <u>the Audit and Supervisory Committee</u> shall comply with the regulations of <u>the Audit and Supervisory Committee</u> separately adopted by <u>the Audit and Supervisory Committee</u>, unless otherwise provided for by laws and regulations or these Articles of Incorporation.</p>
<p>Article 46 (Compensation etc. for <u>Corporate Auditors</u>) Compensation etc. for <u>Corporate Auditors</u> shall be determined by a resolution of the general meeting of shareholders.</p>	<p>(To be deleted)</p>
<p>Article 47 (Limited liability contract with <u>Audit & Supervisory Board Members</u>) The Company may, pursuant to the provision of Article 427, paragraph 1 of the Corporate Law, conclude a contract with <u>Audit & Supervisory Board Members</u> for the purpose of limiting their liability for compensation, in the case that the requirements of relevant laws and regulations regarding the liability for compensation stipulated in Article 423, paragraph 1 of the said Law are fulfilled; provided, however, that the maximum amount of liability under such contract shall be the minimum liability limit stipulated in relevant laws and regulations.</p>	<p>(To be deleted)</p>
<p>Article 48 to 50 (Descriptions omitted)</p>	<p>Article 44 to 46 (Not amended)</p>
<p>Article 51 (Compensation etc. for <u>Accounting Auditors</u>) Compensation etc. for <u>Accounting Auditors</u> shall be determined by the Representative Director of the Company, subject to the consent of <u>the Board of Corporate Auditors</u>.</p>	<p>Article 47 (Compensation etc. for <u>Accounting Auditors</u>) Compensation etc. for <u>Accounting Auditors</u> shall be determined by the Representative Director of the Company, subject to the consent of <u>the Audit and Supervisory Committee</u>.</p>
<p>Article 52 to 55 (Descriptions omitted)</p>	<p>Article 48 to 51 (Not amended)</p>

Present Articles of Incorporation	Proposed amendment
(Newly established)	<p><u>Supplementary Provisions</u> <u>Article 1 (Transitional measures pertaining to contracts for limitation of liability with Corporate Auditors)</u> <u>Agreements limiting the liability for damages under Article 423, paragraph 1 of the Companies Act with respect to the acts of Corporate Auditors (including those who previously served as Corporate Auditors) prior to the conclusion of the 18th ordinary general meeting of shareholders shall remain subject to Article 47 of the Articles of Incorporation prior to the amendment by resolution of the same meeting.</u></p>
(Newly established)	<p><u>Article 2 (Transitional measures pertaining to measures for electronic provision)</u> 2.1 <u>The deletion of Article 16 (Deemed provision and disclosure via the Internet of reference materials, etc. for general meetings of shareholders) of the Articles of Incorporation before amendment and the establishment of Article 16 (Measures for electronic provision etc.) of the Articles of Incorporation after amendment shall take effect on September 1, 2022.</u></p>
(Newly established)	<p>2.2 <u>Notwithstanding the provisions of the preceding paragraph, Article 16 (Deemed provision and disclosure via the Internet of reference materials, etc. for general meetings of shareholders) of the Articles of Incorporation before amendment shall remain effective with respect to the general meeting of shareholders held on a day no later than the last day of February 2023.</u></p>
(Newly established)	<p>2.3 <u>This Article shall be deleted after March 1, 2023 or the expiration of three (3) months from the date of the general meeting of shareholders in the preceding paragraph, whichever comes later.</u></p>

Proposal 2: To elect eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members)

Subject to approval for Proposal 1 “To amend certain parts of the Articles of Incorporation,” the Company will transfer to a company with an Audit and Supervisory Committee. The terms of office of all eight (8) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we are seeking to elect eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members).

This proposal shall become effective when Proposal 1 “To amend certain parts of the Articles of Incorporation” takes effect.

The nominees for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as described below.

Nominee No.	Name	Gender	Age	No. of Years Served as Director	Position and Responsibilities at the Company	No. of Concurrent Positions at Other Listed Companies	Attendance at Board of Directors' Meetings
1	Hajime Satomi [Reappointment]	Male	80	17 years	Chairman, Representative Director	0	11/12 (92%)
2	Haruki Satomi [Reappointment]	Male	43	10 years	President and Group CEO, Representative Director in charge of Executive Secretariat Division, Public Relations Office, Sustainability Promotion Division and Internal Audit Division	0	12/12 (100%)
3	Koichi Fukazawa [Reappointment]	Male	56	7 years	Senior Executive Vice President and Group CFO, Director of the Board in charge of Integrated Resort Business Division, Corporate Planning Division, Finance & Accounting Division, IT Solution Division and Human Resource Development Division	0	12/12 (100%)
4	Yukio Sugino [New appointment]	Male	51	—	Executive Vice President, Executive Officer in charge of Group Licensing Division	0	—
5	Hideo Yoshizawa [Reappointment]	Male	57	3 years	Senior Vice President, Director of the Board in charge of General Corporate Administration Division, Legal & Intellectual Property Division and Global Corporate Governance Division, Managing Director of Legal & Intellectual Property Division	0	12/12 (100%)
6	Kohei Katsukawa [Reappointment] External Director Independent Director	Male	71	6 years	Director of the Board	1	12/12 (100%)
7	Melanie Brock [Reappointment] External Director Independent Director	Female	58	3 years	Director of the Board	0	12/12 (100%)
8	Fujiyo Ishiguro [Reappointment] External Director Independent Director	Female	64	1 year	Director of the Board	3	10/10 (100%)

Note: The age and the number of years served as Director of each nominee are as of the conclusion of this meeting.

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company, and Important Concurrent Duties outside the Company	
1	<p>[Reappointment]</p> <p>Hajime Satomi (January 16, 1942) Age 80 Gender: Male</p> <p>Number of the Company's shares owned: 7,885,038 shares</p> <p>No. of years served as Director: 17 years</p> <p>Attendance at Board of Directors' meetings: 92% (11/12)</p>	<p>Mar. 1980</p> <p>Feb. 2004</p> <p>May 2004</p> <p>Jun. 2004</p> <p>Jun. 2004</p> <p>Oct. 2004</p> <p>Jun. 2007</p> <p>May 2008</p> <p>Apr. 2012</p> <p>May 2013</p> <p>Jun. 2015</p> <p>Jun. 2016</p> <p>Apr. 2017</p> <p>Apr. 2017</p> <p>Apr. 2017</p> <p>Apr. 2018</p> <p>Apr. 2021</p> <p>Apr. 2022</p>	<p>President, Representative Director of Sammy Industry Co., Ltd. (now Sammy Corporation)</p> <p>Chairman of the Board, Representative Director of SEGA CORPORATION</p> <p>Chairman of JAPAN AMUSEMENT MACHINERY MANUFACTURERS ASSOCIATION (now Japan Amusement Industry Association) (current position)</p> <p>Chairman and CEO, Representative Director of Sammy Corporation</p> <p>Chairman and CEO, Representative Director of SEGA CORPORATION</p> <p>Chairman, President and CEO, Representative Director of the Company</p> <p>President, CEO and COO, Representative Director of SEGA CORPORATION</p> <p>Chairman and CEO, Representative Director of the above</p> <p>Chairman of the Board of Sammy Corporation</p> <p>Chairman and CEO, Representative Director of the above</p> <p>Advisor to NDK (current position)</p> <p>Chairman, President, CEO and COO, Representative Director of the Company</p> <p>Chairman and CEO, Representative Director of the Company</p> <p>Chairman of the Board, Representative Director of Sammy Corporation (current position)</p> <p>Honorary Chairman of the Board of SEGA Holdings Co., Ltd. (now SEGA CORPORATION) (current position)</p> <p>Chairman and Group CEO, Representative Director of the Company</p> <p>Chairman, Representative Director of the Company (current position)</p> <p>Chief Advisor of PHOENIX RESORT CO., LTD. (current position)</p>
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Chairman of the Board, Representative Director of Sammy Corporation and Honorary Chairman of the Board of SEGA CORPORATION</p>			
<p>[Reason for nomination as candidate for Director] Mr. Hajime Satomi has served as a corporate manager of the Company and Group companies, demonstrated leadership over many years and contributed to the development of the Group. We seek appointment of Mr. Hajime Satomi as Director as we expect he will continue to benefit the decision making of the Company's Board of Directors with such wealth of experience, career record and hard-earned insight, and contribute to improving the corporate value of the Company.</p> <p>Notes: 1. The Company conducts transactions relating to intermediary services for insurance, etc. with FSC Co., Ltd., of which Mr. Hajime Satomi and Mr. Haruki Satomi own a majority of voting rights. 2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.</p>			

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company, and Important Concurrent Duties outside the Company
2	<p>[Reappointment]</p> <p>Haruki Satomi (January 11, 1979) Age 43 Gender: Male</p> <p>Number of the Company's shares owned: 3,887,361 shares</p> <p>No. of years served as Director: 10 years</p> <p>Attendance at Board of Directors' meetings: 100% (12/12)</p>	<p>Mar. 2004 Joined Sammy Corporation</p> <p>Jan. 2005 Joined SEGA CORPORATION</p> <p>Jun. 2012 Senior Vice President, Director of the Board of the Company</p> <p>Jun. 2012 Senior Vice President, Director of the Board of SEGA CORPORATION</p> <p>Apr. 2014 Senior Vice President, Director of the Board of Sammy Corporation</p> <p>Nov. 2014 Deputy COO, Representative Director of SEGA CORPORATION</p> <p>Nov. 2015 Deputy COO, Representative Director of Sammy Corporation</p> <p>Apr. 2016 President and COO, Representative Director of the above</p> <p>Jun. 2016 Executive Vice President, Director of the Board of the Company</p> <p>Apr. 2017 President and COO, Representative Director of the Company</p> <p>Apr. 2017 President and CEO, Representative Director of Sammy Corporation (current position)</p> <p>Apr. 2017 Chairman and CEO, Representative Director of SEGA Games Co., Ltd. (now SEGA CORPORATION) (current position)</p> <p>Apr. 2018 President and Group COO, Representative Director of the Company</p> <p>Apr. 2018 Chairman of the Board of PHOENIX RESORT CO., LTD. (current position)</p> <p>Apr. 2021 President and Group CEO, Representative Director of the Company (current position)</p> <p>Apr. 2021 Chairman of the Board of Sammy Networks Co., Ltd. (current position)</p> <p>Apr. 2021 Officer of NDK (current position)</p> <p>Apr. 2021 Officer of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position)</p> <p>Apr. 2022 Chairman of the Board of TMS ENTERTAINMENT CO., LTD. (current position)</p>
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] President and CEO, Representative Director of Sammy Corporation and Chairman and CEO, Representative Director of SEGA CORPORATION</p>		
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Haruki Satomi has served as a corporate manager of the Company and Group companies and contributed to the improvement of corporate earnings. He currently serves as President, Representative Director of the Company and demonstrates leadership as a Chief Executive Officer of the Group.</p> <p>We seek appointment of Mr. Haruki Satomi as Director as we expect he will continue to benefit the decision making of the Company's Board of Directors with such experience, career record and leadership, and contribute to improving the corporate value of the Company.</p> <p>Notes: 1. The Company conducts transactions relating to intermediary services for insurance, etc. with FSC Co., Ltd., of which Mr. Hajime Satomi and Mr. Haruki Satomi own a majority of voting rights.</p> <p>2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.</p>		

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company, and Important Concurrent Duties outside the Company	
3	<p>[Reappointment]</p> <p>Koichi Fukazawa (November 2, 1965) Age 56 Gender: Male</p> <p>Number of the Company's shares owned: 57,400 shares</p> <p>No. of years served as Director: 7 years</p> <p>Attendance at Board of Directors' meetings: 100% (12/12)</p>	<p>Apr. 1990</p> <p>Jul. 2003</p> <p>Aug. 2003</p> <p>Oct. 2004</p> <p>Oct. 2004</p> <p>Jun. 2005</p> <p>Jan. 2007</p> <p>Aug. 2007</p> <p>May 2008</p> <p>Apr. 2009</p> <p>Jun. 2009</p> <p>Apr. 2014</p> <p>Jun. 2015</p> <p>Jun. 2016</p> <p>Apr. 2018</p> <p>Jun. 2020</p> <p>Apr. 2021</p>	<p>Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.)</p> <p>Joined Sammy Corporation</p> <p>Vice President, Executive Officer and Managing Director of President's Office of the above</p> <p>Vice President, Executive Officer and Managing Director of President's Office of the Company</p> <p>Vice President, Executive Officer and Managing Director of Chairman's Office and President's Office of SEGA CORPORATION</p> <p>Senior Vice President, Director of the Board and Managing Director of Chairman's Office and President's Office of the above</p> <p>President, Representative Director of SEGA SAMMY ASSET MANAGEMENT INC. (now MARZA ANIMATION PLANET INC.)</p> <p>Senior Vice President, Executive Officer and in charge of the Corporate Strategy and External Affairs of the Company</p> <p>Senior Vice President, Director of the Board and Managing Director of New Business Division of SEGA CORPORATION</p> <p>Officer of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position)</p> <p>President, Representative Director of SEGASAMMY VISUAL ENTERTAINMENT INC. (now MARZA ANIMATION PLANET INC.)</p> <p>Senior Executive Vice President, Representative Director of SEGA TOYS CO., LTD.</p> <p>Senior Vice President, Director of the Board of the Company</p> <p>Executive Vice President and CFO, Director of the Board of the Company</p> <p>Executive Vice President and Group CFO, Director of the Board of the Company</p> <p>Senior Executive Vice President and Group CFO, Director of the Board of the Company (current position)</p> <p>Senior Vice President, Director of the Board of Sammy Corporation (current position)</p>
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Senior Vice President, Director of the Board of Sammy Corporation</p>			
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Koichi Fukazawa has served as a corporate manager of the Company and Group companies in various fields including corporate planning, administration and new businesses. He currently serves as CFO of the Group and promotes the gaming business.</p> <p>We seek appointment of Mr. Koichi Fukazawa as Director as we expect he will continue to benefit the decision making of the Company's Board of Directors with such wealth of experience and career record, and contribute to improving the corporate value of the Company.</p> <p>Notes: 1. There is no special interest between the Company and Mr. Koichi Fukazawa. 2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.</p>			

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company, and Important Concurrent Duties outside the Company	
4	<p>[New appointment]</p> <p>Yukio Sugino (June 25, 1970) Age 51 Gender: Male</p> <p>Number of the Company's shares owned: 17,100 shares</p> <p>No. of years served as Director: —</p> <p>Attendance at Board of Directors' meetings: —</p>	<p>Apr. 1993</p> <p>Jun. 2003</p> <p>Jun. 2009</p> <p>Jul. 2010</p> <p>May 2012</p> <p>Jun. 2012</p> <p>Jun. 2012</p> <p>Apr. 2014</p> <p>Apr. 2015</p> <p>Apr. 2015</p> <p>Apr. 2017</p> <p>Apr. 2020</p> <p>Apr. 2020</p> <p>Apr. 2020</p> <p>Apr. 2020</p> <p>Apr. 2020</p> <p>Jun. 2020</p> <p>Aug. 2020</p> <p>Apr. 2021</p>	<p>Joined SEGA Enterprises, Ltd. (now SEGA CORPORATION)</p> <p>Vice President, Executive Officer and General Manager of Project Management Division of SEGA CORPORATION</p> <p>Senior Vice President, Director of the Board and General Manager of President's Office of the above</p> <p>Senior Vice President, Director of the Board and General Manager of Sega R&D/Production of the above</p> <p>Executive Vice President, Director of the Board and General Managing Director of Consumer Online Business Headquarters of the above</p> <p>Sega of America, Inc. Director & Chairman</p> <p>Sega Europe Ltd. Director & Chairman</p> <p>President, Representative Director of ATLUS. CO., LTD.</p> <p>Senior Vice President, Director of the Board of SEGA Holdings Co., Ltd. (now SEGA CORPORATION)</p> <p>President and CEO, Representative Director of SEGA Interactive Co., Ltd. (now SEGA CORPORATION)</p> <p>Senior Executive Vice President, Director of the Board of SEGA Holdings Co., Ltd. (now SEGA CORPORATION)</p> <p>President and COO, Representative Director of SEGA CORPORATION (current position)</p> <p>Deputy COO, Representative Director of SEGA GROUP CORPORATION (now SEGA CORPORATION)</p> <p>Chairman of the Board of DARTSLIVE Co., Ltd. (current position)</p> <p>Chairman of the Board of SEGA ENTERTAINMENT Co., Ltd. (now GENDA GiGO Entertainment Inc.)</p> <p>Executive Vice President, Executive Officer of the Company (current position)</p> <p>Chairman, Representative Director of ATLUS. CO., LTD. (current position)</p> <p>Senior Vice President, Director of the Board of SEGA TOYS CO., LTD. (current position)</p>
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] President and COO, Representative Director of SEGA CORPORATION</p>			
<p>[Reason for nomination as candidate for Director] Mr. Yukio Sugino has served as a corporate manager of the Group's entertainment contents business companies. He currently serves as President and Representative Director of SEGA CORPORATION and leads the business growth of the SEGA Group on a global stage. We seek appointment of Mr. Yukio Sugino as Director as we expect he will benefit the decision making of the Company's Board of Directors with such knowledge and experience, and contribute to improving the corporate value of the Company.</p> <p>Notes: 1. There is no special interest between the Company and Mr. Yukio Sugino. 2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.</p>			

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company, and Important Concurrent Duties outside the Company
5	<p>[Reappointment]</p> <p>Hideo Yoshizawa (August 27, 1964) Age 57 Gender: Male</p> <p>Number of the Company's shares owned: 28,500 shares</p> <p>No. of years served as Director: 3 years</p> <p>Attendance at Board of Directors' meetings: 100% (12/12)</p>	<p>Apr. 1987 Joined Japan Leasing Corporation (now Sumitomo Mitsui Finance and Leasing Co., Ltd.)</p> <p>Jun. 1999 Manager of Financial Planning Department of the above</p> <p>Jul. 2001 Joined Sammy Corporation</p> <p>Jun. 2002 Vice President, Executive Officer and Deputy Managing Director of President Office of the above</p> <p>Jun. 2004 Senior Vice President, Director of the Board and Managing Director of Administration Division of the above</p> <p>Oct. 2004 Senior Vice President, Director of the Board and Managing Director of Corporate Division and President Office of the above</p> <p>Aug. 2007 Senior Vice President, Executive Officer of the Company</p> <p>Mar. 2012 Senior Vice President, Director of the Board of PHOENIX RESORT CO., LTD.</p> <p>Apr. 2015 President, Representative Director of TAIYO ELEC Co., Ltd.</p> <p>Apr. 2016 Senior Vice President, Director of the Board of SEGA Holdings Co., Ltd. (now SEGA CORPORATION)</p> <p>Jun. 2016 Senior Vice President, Director of the Board and Managing Director of Corporate Division of the above</p> <p>Jun. 2016 Senior Vice President, Director of the Board of SEGA ENTERTAINMENT CO., LTD. (now GENDA GiGO Entertainment Inc.)</p> <p>Jun. 2016 Auditor of Sega Amusements Taiwan Ltd.</p> <p>Apr. 2017 Executive Vice President, Director of the Board and Managing Director of Corporate Division of SEGA Holdings Co., Ltd. (now SEGA CORPORATION)</p> <p>Jun. 2017 Audit & Supervisory Board Member of SEGA Games Co., Ltd. (now SEGA CORPORATION)</p> <p>Oct. 2018 Senior Vice President, Executive Officer and Managing Director of Legal Division of the Company</p> <p>Jun. 2019 Senior Vice President, Director of the Board of the Company (current position)</p> <p>Jun. 2020 Senior Vice President, Director of the Board of SEGA CORPORATION (current position)</p>
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Director of the Board of SEGA CORPORATION</p>		
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Hideo Yoshizawa has served as a corporate manager of the Company's and the Group's pachinko and pachislot machines business, entertainment contents business, and resort business companies, and has extensive knowledge and a wealth of experience in the Company's core business.</p> <p>We seek appointment of Mr. Hideo Yoshizawa as Director as we expect he will benefit the decision making of the Company's Board of Directors with such knowledge and experience, and contribute to improving the corporate value of the Company.</p> <p>Notes: 1. There is no special interest between the Company and Mr. Hideo Yoshizawa. 2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.</p>		

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company, and Important Concurrent Duties outside the Company	
6	[Reappointment] [Nominee for External Director] [Independent Director]	Apr. 1974	Joined Sumitomo Bank (now Sumitomo Mitsui Banking Corporation)
	Kohei Katsukawa (January 8, 1951) Age 71 Gender: Male	Apr. 2001	Executive Officer, Head of Osaka Corporate Banking Division II of Sumitomo Mitsui Banking Corporation
	Number of the Company's shares owned: 0	Apr. 2005	Managing Executive Officer, Deputy Head of Whole sale Banking Unit (in charge of East Japan) of the above
	No. of years served as Director: 6 years	Jun. 2007	Executive Vice President and Representative Director of NIF SMBC Ventures Co., Ltd. (now SMBC Venture Capital Co., Ltd.)
	Attendance at Board of Directors' meetings: 100% (12/12)	Jul. 2010	President and Representative Director of SMBC Venture Capital Co., Ltd.
	[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 1)] Outside Director of ELECOM CO., LTD.	Apr. 2014	President and Representative Director of GINSEN Co., Ltd.
		Dec. 2014	Outside Director of Kyoto University Innovation Capital Co., Ltd. (current position)
	[Reason for nomination as candidate for External Director and outline of expected roles] Mr. Kohei Katsukawa has appropriately fulfilled the roles of an External Director to determine important management matters and oversee the execution of business from a fair standpoint. We seek appointment of Mr. Kohei Katsukawa as External Director as we expect that he will continue to provide valuable opinions and suggestions on the management of the Company based on his wealth of experience and broad-ranging insight gained over many years as a corporate manager.	Jun. 2016	Director of the Board (External) of the Company (current position)
		Jun. 2016	Special Advisor of GINSEN Co., Ltd.
		Jun. 2016	Outside Director of ELECOM CO., LTD. (current position)
		Mar. 2017	Director of DX ANTENNA CO., LTD. (current position)
		Jan. 2021	Advisor of GINSEN Co., Ltd. (current position)
	Notes: 1. There is no special interest between the Company and Mr. Kohei Katsukawa. 2. Mr. Kohei Katsukawa is an External Director-nominee, and the Company has notified the Tokyo Stock Exchange (TSE) of his inauguration as Independent Director/Auditor under the regulations of TSE. The Independence Criteria for Independent Directors/Auditors of the Company is listed in page 31. 3. The Company has concluded a liability agreement with Mr. Kohei Katsukawa that limits his liability to the minimum liability amount stipulated in laws and regulations. If the reelection of Mr. Kohei Katsukawa is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.		

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company, and Important Concurrent Duties outside the Company	
7	[Reappointment] [Nominee for External Director] [Independent Director]	Nov. 1987	Earned Bachelor of School of Humanities at The University of Western Australia
	Melanie Brock (April 10, 1964) Age 58 Gender: Female	Nov. 1990	Earned Master of Arts in Japanese, Conference Interpreting and Translation at The University of Queensland
	Number of the Company's shares owned: 0	Mar. 2003	CEO of AGENDA (now Melanie Brock Advisory Ltd.) (current position)
	No. of years served as Director: 3 years	Mar. 2010	Board Member of Australia-Japan Foundation
	Attendance at Board of Directors' meetings: 100% (12/12)	Apr. 2010	Board Member of Australia Japan Business Co-operation Committee (current position)
		Apr. 2010	Chair of Australian and New Zealand Chamber of Commerce in Japan
		Oct. 2010	Regional Manager - Japan of Meat & Livestock Australia
		Dec. 2012	Chair of Australian Business Asia
		Nov. 2016	Chair Emeritus of Australian and New Zealand Chamber of Commerce in Japan (current position)
		Jun. 2019	Director of the Board (External) of the Company (current position)
		Jul. 2019	Board Member of Australia-Japan Research Center (AJRC) (current position)
		Oct. 2019	Global Ambassador of Advance, an initiative supported by Australian Government funding (current position)
		Jun. 2022	Outside Director of Mitsubishi Estate Co., Ltd. (scheduled)
[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] CEO of Melanie Brock Advisory Ltd.			
<p>[Reason for nomination as candidate for External Director and outline of expected roles] Ms. Melanie Brock has appropriately fulfilled the roles of an External Director to determine important management matters and oversee the execution of business from a fair standpoint. We seek appointment of Ms. Melanie Brock as External Director as we expect that she will continue to strengthen the Company's corporate governance system and improve the quality of management decision making based on her diverse range of ideas and values, making use of her extensive experience and career record as an international business leader.</p> <p>Notes: 1. There is no special interest between the Company and Ms. Melanie Brock. 2. Ms. Melanie Brock is an External Director-nominee, and the Company has notified the Tokyo Stock Exchange (TSE) of her inauguration as Independent Director/Auditor under the regulations of TSE. The Independence Criteria for Independent Directors/Auditors of the Company is listed in page 31. 3. The Company has concluded a liability agreement with Ms. Melanie Brock that limits her liability to the minimum liability amount stipulated in laws and regulations. If the reelection of Ms. Melanie Brock is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.</p>			

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company, and Important Concurrent Duties outside the Company
8	<p>[Reappointment] [Nominee for External Director] [Independent Director]</p> <p>Fujiyo Ishiguro (February 1, 1958) Age 64 Gender: Female</p> <p>Number of the Company's shares owned: 0</p> <p>No. of years served as Director: 1 year</p> <p>Attendance at Board of Directors' meetings: 100% (10/10)</p>	<p>Jan. 1981 Joined BROTHER INDUSTRIES, LTD.</p> <p>Jan. 1988 Joined Swarovski Japan Ltd.</p> <p>Sep. 1994 President of Alphametries, Inc.</p> <p>Jan. 1999 Director of Netyear Group, Inc.</p> <p>Jul. 1999 Director of Netyear Group Corporation</p> <p>May 2000 President & CEO of the above</p> <p>Jun. 2013 Outside Audit & Supervisory Board Member of Sompo Japan Insurance Inc.</p> <p>Mar. 2014 Outside Director of Hottolink, Inc.</p> <p>Jun. 2014 Outside Director of Monex Group, Inc. (current position)</p> <p>Jun. 2015 Outside Director of Sompo Japan Nipponkoa Insurance Inc. (now Sompo Japan Insurance Inc.) (current position)</p> <p>May 2021 Outside Director of WingArc1st Inc. (current position)</p> <p>Jun. 2021 Director of Netyear Group Corporation (current position)</p> <p>Jun. 2021 Director of the Board (External) of the Company (current position)</p>
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 3)] Outside Director of Monex Group, Inc., Outside Director of WingArc1st Inc. and Director of Netyear Group Corporation</p>		
<p>[Reason for nomination as candidate for External Director and outline of expected roles] Ms. Fujiyo Ishiguro has appropriately fulfilled the roles of an External Director to determine important management matters and oversee the execution of business from a fair standpoint. We seek appointment of Ms. Fujiyo Ishiguro as External Director as we expect she will provide valuable opinions and suggestions on the management of the Company based on her wealth of knowledge in corporate management and digital fields as a founder of Netyear Group Corporation and experience as an Outside Director of other listed companies.</p> <p>Notes: 1. There is no special interest between the Company and Ms. Fujiyo Ishiguro. 2. Ms. Fujiyo Ishiguro is an External Director-nominee, and the Company has notified the Tokyo Stock Exchange (TSE) of her inauguration as Independent Director/Auditor under the regulations of TSE. The Independence Criteria for Independent Directors/Auditors of the Company is listed in page 31. 3. The Company has concluded a liability agreement with Ms. Fujiyo Ishiguro that limits her liability to the minimum liability amount stipulated in laws and regulations. If the reelection of Ms. Fujiyo Ishiguro is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office. 5. Ms. Fujiyo Ishiguro is scheduled to retire from the position of Outside Director of Sompo Japan Insurance Inc. in June 2022.</p>		

Proposal 3: To elect four (4) Directors serving as Audit and Supervisory Committee Members

Subject to approval for Proposal 1 “To amend certain parts of the Articles of Incorporation,” the Company will transfer to a company with an Audit and Supervisory Committee. Accordingly, we are seeking to elect four (4) Directors serving as Audit and Supervisory Committee Members.

We have obtained the consent of the Audit & Supervisory Board with respect to the submission of this proposal.

This proposal shall become effective when Proposal 1 “To amend certain parts of the Articles of Incorporation” takes effect.

The nominees for Directors serving as Audit and Supervisory Committee Members are as described below.

Nominee No.	Name	Gender and Age	No. of Years of Service	Position at the Company	No. of Concurrent Positions at Other Listed Companies	Attendance at Board of Directors' Meetings	Attendance at Audit & Supervisory Board Meetings
1	Yukito Sakaue [New appointment]	Male 70	8 years	Standing Audit & Supervisory Board Member	0	12/12 (100%)	13/13 (100%)
2	Kazutaka Okubo [New appointment] External Director Independent Director	Male 49	3 years	Audit & Supervisory Board Member	5	12/12 (100%)	13/13 (100%)
3	Shione Kinoshita [New appointment] External Director Independent Director	Female 62	1 year	Audit & Supervisory Board Member	0	10/10 (100%)	10/10 (100%)
4	Naoko Murasaki [New appointment] External Director Independent Director	Female 50	1 year	Director	1	10/10 (100%)	—

- Notes: 1. The age of each nominee is as of the conclusion of this meeting.
2. The number of years of service is the number of years in office as Audit & Supervisory Board Member for Mr. Yukito Sakaue, Mr. Kazutaka Okubo and Ms. Shione Kinoshita, and that as Director for Ms. Naoko Murasaki.

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position at the Company, and Important Concurrent Duties outside the Company
1	<p>[New appointment]</p> <p>Yukito Sakaue (December 23, 1951) Age 70 Gender: Male</p> <p>Number of the Company's shares owned: 3,100 shares</p> <p>No. of years served as Audit & Supervisory Board Member: 8 years</p> <p>Attendance at Board of Directors' meetings: 100% (12/12)</p> <p>Attendance at Audit & Supervisory Board meetings 100% (13/13)</p>	<p>Apr. 1975 Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.)</p> <p>Apr. 2003 Joined Sammy Corporation as Director of Audit Office</p> <p>Jan. 2004 Director of Legal Department of Administration Division of the above</p> <p>Nov. 2006 Director of Audit & Supervisory Board Members' Office of the Company</p> <p>Jun. 2014 Audit & Supervisory Board Member of the Company (current position)</p> <p>Jun. 2014 Standing Audit & Supervisory Board Member of SEGA CORPORATION</p> <p>Apr. 2015 Audit & Supervisory Board Member of SEGA Holdings Co., Ltd. (now SEGA CORPORATION)</p> <p>Apr. 2015 Audit & Supervisory Board Member of SEGA Interactive Co., Ltd. (now SEGA CORPORATION)</p> <p>Jun. 2015 Standing Audit & Supervisory Board Member of SEGA Holdings Co., Ltd. (now SEGA CORPORATION)</p> <p>Jun. 2015 Audit & Supervisory Board Member of SEGA Games Co., Ltd. (now SEGA CORPORATION)</p> <p>Jun. 2015 Audit & Supervisory Board Member of TMS ENTERTAINMENT CO., LTD.</p> <p>Jun. 2015 Audit & Supervisory Board Member of SEGA ENTERTAINMENT CO., LTD. (now GENDA GiGO Entertainment Inc.)</p> <p>Jun. 2015 Audit & Supervisory Board Member of MARZA ANIMATION PLANET INC.</p> <p>Jun. 2017 Audit & Supervisory Board Member of ATLUS. CO., LTD.</p> <p>Jun. 2019 Audit & Supervisory Board Member of SEGA Logistics Service Co., Ltd.</p> <p>Jun. 2019 Audit & Supervisory Board Member of DARTSLIVE Co., Ltd.</p> <p>Apr. 2020 Audit & Supervisory Board Member of SEGA CORPORATION (current position)</p> <p>Jun. 2021 Audit & Supervisory Board Member of PHOENIX RESORT CO., LTD. (current position)</p>
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Audit & Supervisory Board Member of SEGA CORPORATION</p>		
<p>[Reason for nomination as candidate for Director serving as Audit and Supervisory Committee Member] Mr. Yukito Sakaue has served as an Audit & Supervisory Board Member of the Company's Group companies and mainly engaged in work concerning legal and audit issues since he joined Sammy Corporation, the Company's subsidiary. We seek appointment of Mr. Yukito Sakaue as Director serving as Audit and Supervisory Committee Member as we expect that he will provide valuable opinions and suggestions on the management of the Company based on his wealth of experience regarding audits and knowledge of corporate ethics and corporate governance.</p> <p>Notes: 1. There is no special interest between the Company and Mr. Yukito Sakaue. 2. If the election of Mr. Yukito Sakaue is approved, he will be elected as a Standing Audit and Supervisory Committee Member by the resolution of the Audit and Supervisory Committee. 3. The Company has concluded a liability agreement with Mr. Yukito Sakaue that limits his liability to the minimum liability amount stipulated in laws and regulations. If the reelection of Mr. Yukito Sakaue is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.</p>		

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position at the Company, and Important Concurrent Duties outside the Company																																																
2	<p>[New appointment] [Nominee for External Director] [Independent Director]</p> <p>Kazutaka Okubo (March 22, 1973) Age 49 Gender: Male</p> <p>Number of the Company's shares owned: 0</p> <p>No. of years served as Audit & Supervisory Board Member: 3 years</p> <p>Attendance at Board of Directors' meetings: 100% (12/12)</p> <p>Attendance at Audit & Supervisory Board meetings 100% (13/13)</p>	<table border="0"> <tr> <td style="padding-right: 10px;">Nov.</td> <td style="padding-right: 10px;">1995</td> <td>Joined Century Audit Corporation (now Ernst & Young ShinNihon LLC)</td> </tr> <tr> <td>Oct.</td> <td>2003</td> <td>Director of Shinnihon Integrity Assurance, Inc. (now Ernst & Young Shinnihon Sustainability Co., Ltd.)</td> </tr> <tr> <td>Feb.</td> <td>2005</td> <td>Managing Director of the above</td> </tr> <tr> <td>Jun.</td> <td>2006</td> <td>Partner of Ernst & Young ShinNihon (now Ernst & Young ShinNihon LLC)</td> </tr> <tr> <td>Jul.</td> <td>2012</td> <td>Senior Partner of Ernst & Young ShinNihon LLC</td> </tr> <tr> <td>Feb.</td> <td>2016</td> <td>Senior Executive Board Member of the above</td> </tr> <tr> <td>Jun.</td> <td>2019</td> <td>President and Representative Director of Okubo Associates Inc. (current position)</td> </tr> <tr> <td>Jun.</td> <td>2019</td> <td>Outside Director of Sun Frontier Fudousan Co., Ltd. (current position)</td> </tr> <tr> <td>Jun.</td> <td>2019</td> <td>Audit & Supervisory Board Member (External) of the Company (current position)</td> </tr> <tr> <td>Sep.</td> <td>2019</td> <td>Outside Audit & Supervisory Board Member of BrainPad Inc.</td> </tr> <tr> <td>Dec.</td> <td>2019</td> <td>Outside Director of LIFULL Co., Ltd. (current position)</td> </tr> <tr> <td>Feb.</td> <td>2020</td> <td>Outside Director of SALA Corporation (current position)</td> </tr> <tr> <td>Jun.</td> <td>2020</td> <td>Outside Director of The Shoko Chukin Bank, Ltd. (current position)</td> </tr> <tr> <td>Jun.</td> <td>2020</td> <td>Outside Director (Audit and Supervisory Committee Member) of Musashi Seimitsu Industry Co., Ltd. (current position)</td> </tr> <tr> <td>Nov.</td> <td>2020</td> <td>President and Representative Director of K.K. SS Dnaform (current position)</td> </tr> <tr> <td>Sep.</td> <td>2021</td> <td>Outside Director (Audit and Supervisory Committee Member) of BrainPad Inc. (current position)</td> </tr> </table>	Nov.	1995	Joined Century Audit Corporation (now Ernst & Young ShinNihon LLC)	Oct.	2003	Director of Shinnihon Integrity Assurance, Inc. (now Ernst & Young Shinnihon Sustainability Co., Ltd.)	Feb.	2005	Managing Director of the above	Jun.	2006	Partner of Ernst & Young ShinNihon (now Ernst & Young ShinNihon LLC)	Jul.	2012	Senior Partner of Ernst & Young ShinNihon LLC	Feb.	2016	Senior Executive Board Member of the above	Jun.	2019	President and Representative Director of Okubo Associates Inc. (current position)	Jun.	2019	Outside Director of Sun Frontier Fudousan Co., Ltd. (current position)	Jun.	2019	Audit & Supervisory Board Member (External) of the Company (current position)	Sep.	2019	Outside Audit & Supervisory Board Member of BrainPad Inc.	Dec.	2019	Outside Director of LIFULL Co., Ltd. (current position)	Feb.	2020	Outside Director of SALA Corporation (current position)	Jun.	2020	Outside Director of The Shoko Chukin Bank, Ltd. (current position)	Jun.	2020	Outside Director (Audit and Supervisory Committee Member) of Musashi Seimitsu Industry Co., Ltd. (current position)	Nov.	2020	President and Representative Director of K.K. SS Dnaform (current position)	Sep.	2021	Outside Director (Audit and Supervisory Committee Member) of BrainPad Inc. (current position)
Nov.	1995	Joined Century Audit Corporation (now Ernst & Young ShinNihon LLC)																																																
Oct.	2003	Director of Shinnihon Integrity Assurance, Inc. (now Ernst & Young Shinnihon Sustainability Co., Ltd.)																																																
Feb.	2005	Managing Director of the above																																																
Jun.	2006	Partner of Ernst & Young ShinNihon (now Ernst & Young ShinNihon LLC)																																																
Jul.	2012	Senior Partner of Ernst & Young ShinNihon LLC																																																
Feb.	2016	Senior Executive Board Member of the above																																																
Jun.	2019	President and Representative Director of Okubo Associates Inc. (current position)																																																
Jun.	2019	Outside Director of Sun Frontier Fudousan Co., Ltd. (current position)																																																
Jun.	2019	Audit & Supervisory Board Member (External) of the Company (current position)																																																
Sep.	2019	Outside Audit & Supervisory Board Member of BrainPad Inc.																																																
Dec.	2019	Outside Director of LIFULL Co., Ltd. (current position)																																																
Feb.	2020	Outside Director of SALA Corporation (current position)																																																
Jun.	2020	Outside Director of The Shoko Chukin Bank, Ltd. (current position)																																																
Jun.	2020	Outside Director (Audit and Supervisory Committee Member) of Musashi Seimitsu Industry Co., Ltd. (current position)																																																
Nov.	2020	President and Representative Director of K.K. SS Dnaform (current position)																																																
Sep.	2021	Outside Director (Audit and Supervisory Committee Member) of BrainPad Inc. (current position)																																																
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 5)] President and Representative Director of Okubo Associates Inc., President and Representative Director of K.K. SS Dnaform, Outside Director of Sun Frontier Fudousan Co., Ltd., Outside Director of LIFULL Co., Ltd., Outside Director of SALA Corporation, Outside Director (Audit and Supervisory Committee Member) of Musashi Seimitsu Industry Co., Ltd. and Outside Director (Audit and Supervisory Committee Member) of BrainPad Inc.</p>																																																		
<p>[Reason for nomination as candidate for External Director serving as Audit and Supervisory Committee Member and outline of expected roles] Mr. Kazutaka Okubo has many years of experience in audit services as a certified public accountant and deep insight about finance and accounting. We seek appointment of Mr. Kazutaka Okubo as External Director serving as Audit and Supervisory Committee Member as we expect that he will appropriately guide and oversee the Company's management from an objective standpoint based on a wealth of knowledge in governance which he gained through experience as an Outside Director.</p> <p>Notes: 1. There is no special interest between the Company and Mr. Kazutaka Okubo. 2. Mr. Kazutaka Okubo is a nominee for External Director serving as Audit and Supervisory Committee Member, and the Company has notified the Tokyo Stock Exchange (TSE) of his inauguration as Independent Director/Auditor under the regulations of TSE. The Independence Criteria for Independent Directors/Auditors of the Company is listed in page 31. 3. The Company has concluded a liability agreement with Mr. Kazutaka Okubo that limits his liability to the minimum liability amount stipulated in laws and regulations. If the election of Mr. Kazutaka Okubo is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.</p>																																																		

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position at the Company, and Important Concurrent Duties outside the Company
3	<p>[New appointment] [Nominee for External Director] [Independent Director]</p> <p>Shione Kinoshita (August 11, 1959) Age 62 Gender: Female</p> <p>Number of the Company's shares owned: 0</p> <p>No. of years served as Audit & Supervisory Board Member: 1 year</p> <p>Attendance at Board of Directors' meetings: 100% (10/10)</p> <p>Attendance at Audit & Supervisory Board meetings 100% (10/10)</p>	<p>Apr. 1985 Registered as attorney-at-law</p> <p>Apr. 1985 Joined Hashimoto Joint Law Office</p> <p>Nov. 1986 Joined Daiichifuyo Law Office (current position)</p> <p>Apr. 2004 Vice-President of Dai-ichi Tokyo Bar Association</p> <p>Apr. 2010 Visiting Professor of The University of Tokyo Graduate Schools for Law and Politics</p> <p>Jun. 2011 Outside Audit & Supervisory Board Member of SURUGA bank Ltd.</p> <p>Apr. 2013 Vice President of Tokyo Institute of Technology (current position)</p> <p>Oct. 2014 Director of Japan Labor Law Association (current position)</p> <p>Jun. 2018 Outside Director of SURUGA bank Ltd.</p> <p>Jun. 2021 Audit & Supervisory Board Member (External) of the Company (current position)</p>
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Attorney-at-law of Daiichifuyo Law Office</p>		
<p>[Reason for nomination as candidate for External Director serving as Audit and Supervisory Committee Member and outline of expected roles]</p> <p>Ms. Shione Kinoshita has a high degree of expertise in labor laws which she gained through her experience as an attorney-at-law as well as a Vice Chairperson of Labor Legislation Committee, Dai-ichi Tokyo Bar Association. We seek appointment of Ms. Shione Kinoshita as External Director serving as Audit and Supervisory Committee Member as we expect that she will appropriately guide and oversee the Company's management from an objective standpoint based on her wealth of knowledge in governance gained through her experience as an Outside Director. Although she does not have experience in corporate management other than as an Outside Director, we judge that she will be able to appropriately perform her duties as an External Director serving as Audit and Supervisory Committee Member for the reasons mentioned above.</p> <p>Notes: 1. There is no special interest between the Company and Ms. Shione Kinoshita. 2. Ms. Shione Kinoshita is a nominee for External Director serving as Audit and Supervisory Committee Member, and the Company has notified the Tokyo Stock Exchange (TSE) of her inauguration as Independent Director/Auditor under the regulations of TSE. The Independence Criteria for Independent Directors/Auditors of the Company is listed in page 31. 3. The Company has concluded a liability agreement with Ms. Shione Kinoshita that limits her liability to the minimum liability amount stipulated in laws and regulations. If the election of Ms. Shione Kinoshita is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office. 5. SURUGA bank Ltd., at which Ms. Shione Kinoshita served as Outside Audit & Supervisory Board Member and Outside Director, received administrative actions (partial business suspension order and business improvement order) from the Financial Services Agency in October 2018 for issues were identified including fraudulent activities related to loans for share houses and other real estate loans, business operations that adversely affect the interests of customers, and inappropriate financing of family businesses. She was not aware of the above facts until they were discovered during her tenure as Outside Audit & Supervisory Board Member. However, she regularly provided advice from the perspective of legal compliance and alerted the bank about compliance with laws and regulations. After the above facts were revealed, she appropriately performed her duties as Outside Director by urging the bank to take appropriate measures to strengthen compliance, improve its governance system, and establish measures to prevent recurrence, and worked to restore trust in the bank.</p>		

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company, and Important Concurrent Duties outside the Company	
4	[New appointment]	Apr.	1995 Joined the National Police Agency
	[Nominee for External Director]	Aug.	2001 Northeast Asia Division, Asian and Oceanian Affairs Bureau of Ministry of Foreign Affairs
	[Independent Director]	Aug.	2003 Chief of 2nd Criminal Investigation Division, Criminal Investigation Department of Shizuoka Prefectural Police Headquarters
	Naoko Murasaki	Mar.	2005 Chief of Foreign Affairs Division, Security Department of Hyogo Prefectural Police Headquarters
	(August 18, 1971)	Jul.	2006 Foreign Affairs Division, Foreign Affairs and Intelligence Department, Security Bureau of National Police Agency
	Age 50	Oct.	2007 Security Planning Division, Security Bureau of National Police Agency
	Gender: Female	Apr.	2008 Bain & Company Japan Incorporated
	Number of the Company's shares owned:	Apr.	2010 Senior Director of Kroll International Inc. (Japan Office)
	0	Jan.	2013 Associate Managing Director of the above
	No. of years served as Director:	Jan.	2015 Head of Japan of the above
	1 year	Jan.	2016 Managing Director and Head of Japan of the above
	Attendance at Board of Directors' meetings:	Aug.	2018 President and Representative Director of Nobligier Co., Ltd. (current position)
	100% (10/10)	Sep.	2018 Senior Advisor of Kroll International Inc. (Japan Office) (current position)
	Attendance at Audit & Supervisory Board meetings	Mar.	2021 Outside Director of Sansei Landic Co., Ltd. (current position)
	-	Jun.	2021 Director of the Board (External) of the Company (current position)
	Mar.	2022 Outside Director (Audit and Supervisory Committee Member) of Riraku Co., Ltd. (current position)	
[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 1)] President and Representative Director of Nobligier Co., Ltd. and Outside Director of Sansei Landic Co., Ltd.			
[Reason for nomination as candidate for External Director serving as Audit and Supervisory Committee Member and outline of expected roles] Ms. Naoko Murasaki has a high degree of expertise in the field of the global risk and governance which she gained over many years in the National Police Agency, the Ministry of Foreign Affairs and risk consulting firms. We seek appointment of Ms. Naoko Murasaki as External Director serving as Audit and Supervisory Committee Member as we expect that she will appropriately guide and oversee the Company's management from an objective standpoint based on her wealth of knowledge in governance gained through her experience as an Outside Director. Notes: 1. There is no special interest between the Company and Ms. Naoko Murasaki. 2. Ms. Naoko Murasaki is a nominee for External Director serving as Audit and Supervisory Committee Member, and the Company has notified the Tokyo Stock Exchange (TSE) of her inauguration as Independent Director/Auditor under the regulations of TSE. The Independence Criteria for Independent Directors/Auditors is listed in page 31. 3. The Company has concluded a liability agreement with Ms. Naoko Murasaki that limits her liability to the minimum liability amount stipulated in laws and regulations. If the election of Ms. Naoko Murasaki is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.			

Proposal 4: To elect one (1) Substitute Director serving as Audit and Supervisory Committee Member

Subject to approval for Proposal 1 “To amend certain parts of the Articles of Incorporation,” the Company will transfer to a company with an Audit and Supervisory Committee. Accordingly, we are seeking to elect one (1) Substitute Director serving as Audit and Supervisory Committee Member, in preparation for the case where we lack a Director serving as Standing Audit and Supervisory Committee Member.

We have obtained the consent of the Audit & Supervisory Board with respect to the submission of this proposal.

This proposal shall become effective when Proposal 1 “To amend certain parts of the Articles of Incorporation” takes effect.

The nominee for Substitute Director serving as Audit and Supervisory Committee Member is as described below.

Name (Date of Birth)	Brief Career Profile, Position at the Company, and Important Concurrent Duties outside the Company	
<p style="text-align: center;">Hiroshi Ishikura (June 30, 1965) Age 56 (As of the conclusion of this meeting)</p> <p style="text-align: center;">Gender: Male</p> <p>Number of the Company’s shares owned: 0</p>	Apr. 1988	Joined Aoyama Audit Corporation (now PricewaterhouseCoopers Aarata LLC)
	Aug. 1990	Certified Public Accountant registered
	Aug. 1995	Joined Deloitte Ross Tohmatsu International (now Deloitte Touche Tohmatsu LLC)
	Jul. 1998	Joined Capital Management, INC
	Jun. 2006	Executive Vice President, Director of the Board of Sammy Networks Co., Ltd.
	May 2012	Joined the Company Deputy Managing Director of Group Internal Control Office, Group CSR Promotion Office and Internal Audit Office
	Jun. 2013	Vice President, Executive Officer and Managing Director of Group Internal Control Office, Group CSR Promotion Office and Internal Audit Office of the Company
	Apr. 2021	Audit & Supervisory Board Member of SEGA CORPORATION (current position)
	Jun. 2021	Audit & Supervisory Board Member of DARTSLIVE Co., Ltd. (current position)
	Jun. 2021	Audit & Supervisory Board Member of SEGA Logistics Service Co., Ltd. (current position)
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Audit & Supervisory Board Member of SEGA CORPORATION</p>		
<p>[Reason for nomination as candidate for Substitute Director serving as Audit and Supervisory Committee Member] Mr. Hiroshi Ishikura has deep insight about corporate management, finance and accounting which he gained through audit services as a certified public accountant and business experience as an officer in charge of administration division of a business company. After joining the Company, he has been responsible for internal audit, internal control and CSR divisions, and has insight into compliance and governance. We seek appointment of Mr. Hiroshi Ishikura as Substitute Director serving as Audit and Supervisory Committee Member as we expect he will provide valuable opinions and suggestions on the management of the Company.</p> <p>Notes: 1. There is no special interest between the Company and Mr. Hiroshi Ishikura. 2. Mr. Hiroshi Ishikura is an Audit & Supervisory Board Member of the Company’s specified associated company, SEGA CORPORATION. 3. If Mr. Hiroshi Ishikura assumes the position as Director serving as Audit and Supervisory Committee Member, the Company plans to conclude a liability agreement with him that limits his liability to the minimum liability amount stipulated in laws and regulations. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. If Mr. Hiroshi Ishikura assumes the position as Director serving as Audit and Supervisory Committee Member, he will be insured under the insurance contract, which is to be renewed during his term of office.</p>		

[Reference] Major skills matrix of the members of the Board of Directors

Expertise and experience possessed by the members of the Board of Directors will be as shown below, if Proposal 2 and Proposal 3 are approved.

It is our basic policy that the Company selects Director-nominees based on consideration of their conformity to the Skills Matrix, personalities, and other factors in a comprehensive manner.

Name	Category	Gender	Expertise and Experience						
			Corporate Management	Entertainment Business Creation	Finance / Accounting	Risk Management / Compliance	ICT / DX	Global	Sustainability
Hajime Satomi		Male	●	●					
Haruki Satomi		Male	●	●				●	●
Koichi Fukazawa		Male	●	●	●		●		
Yukio Sugino		Male	●	●				●	
Hideo Yoshizawa		Male	●		●	●			
Kohei Katsukawa	External Director Independent Director	Male	●		●	●			
Melanie Brock	External Director Independent Director	Female	●					●	●
Fujiyo Ishiguro	External Director Independent Director	Female	●				●	●	●
Yukito Sakaue	Audit and Supervisory Committee Member	Male			●	●		●	
Kazutaka Okubo	External Director Independent Director Audit and Supervisory Committee Member	Male	●		●	●			●
Shione Kinoshita	External Director Independent Director Audit and Supervisory Committee Member	Female				●			●
Naoko Murasaki	External Director Independent Director Audit and Supervisory Committee Member	Female	●			●		●	●

Note: A maximum of four elements particularly required of each person are presented. The above list does not indicate all the insight and experience possessed by them.

Details of Expertise and experience

The Company selected experience and knowledge required as a publicly traded company, along with those that are required to achieve the long-term vision of the Company.

Corporate Management	Manager of a listed company or equivalent organization
Entertainment Business Creation	Experience as a business development manager or in starting a new business in the Group's business segments
Finance / Accounting	Professional experience at financial institutions, auditing firms, etc. or experience as an officer in charge of a financial department at a major company
Risk Management / Compliance	Attorney, or other professional experience, or experience as an officer in charge of legal affairs, compliance or audit at a major company
ICT / DX	Experience at IT companies, vendors, consulting firms, and other professional services, or experience as an officer in charge of IT at a major company
Global	Experience of living abroad, experience at an overseas operating company, or equivalent experience
Sustainability	Individuals who have insight into Environment and People (Diversity), which are part of the Company's five material issues (materiality)*, and are expected to play an active role in the promotion of sustainability by the Group *Environment, Addition, People, Products and Services, and Governance

[Reference] Composition of the Board of Directors

If Proposal 2 and Proposal 3 are approved, the composition of the Board of Directors will be as follows.

The Ratio of Independent External Directors	The Ratio of Female Directors	The Ratio of Foreign Directors
Independent External Directors 6/12 Directors, 50% (6/11 Directors, 54.5%)	Female Directors 4/12 Directors, 33.3% (4/11 Directors, 36.3%)	Foreign Directors 1/12 Directors, 8.3% (1/11 Directors, 9.0%)

*The numbers shown in parentheses indicate the total number of Directors and Corporate Auditors, as well as the composition ratio prior to the approval.

[Increase of Internal Directors]

Mr. Yukio Sugino, a Director-nominee for new appointment, has a wealth of knowledge in the consumer field, which is positioned as a strategic growth area for the Group. His participation in the Board is expected to contribute greatly to the Group's further growth and increase in corporate value.

Compared to the Board's composition prior to the approval, the number of Internal Directors will increase by one, however, the ratio of Independent External Directors will remain at 50% after the approval, thereby sufficient independence will be maintained.

[Reference]

Policy and procedures for selection of Director-nominees

It is our basic policy that the Company selects Director-nominees based on consideration of their conformity to the Skills Matrix, personalities and other factors in a comprehensive manner. The Independent Advisory Committee comprising of Independent External Directors and Independent External Audit & Supervisory Board Members shall examine the draft of Director-nominees presented by the President, Representative Director, hold interviews with such nominees, and report the result of evaluation to the President, Representative Director as its opinion. The President, Representative Director shall determine the Director-nominees based on the evaluation result in accordance with the above policy, and the Board of Directors shall review and approve it. The same shall apply to a case where the Independent Advisory Committee makes recommendation of Director-nominees to the President, Representative Director. In the appointment of Directors servings as Audit and Supervisory Committee Members and Substitute Directors servings as Audit and Supervisory Committee Members, consent of the Audit & Supervisory Board shall be obtained in advance.

[Reference]

The Independence Criteria of Independent Directors/Auditors

The “independence” criteria regarding Independent External Directors/Auditors of the Company have been prepared, on the assumption that provisions stipulated in the Companies Act and the Tokyo Stock Exchange are complied with, to set forth rules. The Board of Directors shall select a person who meets the said criteria and who is expected to contribute to honest, active and constructive discussion at the Board of Directors. Outline of the rules regarding the independence is as follows.

(a) The Independence Criteria is based on qualifications for External Directors/Auditors as stipulated in the Companies Act, and the independence standards stipulated by the Tokyo Stock Exchange, and wording of “major,” “a large amount of,” etc., are defined by the guideline developed by referring to published models of selection criteria for independent officers. The followings are its summaries.

* A person shall not fall under any of the items below in order to be Independent External Director/Auditor of the Company.

(1) A party whose major business partner is the Group or an executive person thereof

The “major” in this item is defined as that such party received payment from the Group in the amount equivalent to 2% of the total consolidated net sales of the said party or more for the most recent fiscal year.

(2) A party who is a major business partner of the Company or an executive person thereof

The “major” in this item is defined as that the Company received payment from such party in the amount equivalent to 2% of the total consolidated net sales of the Company or more for the most recent fiscal year.

(3) A major shareholder who holds 10 % or more of the total shares issued and outstanding of the Company or an executive person thereof.

(4) A party of which the Group holds 10% or more of the total shares issued and outstanding or an executive person thereof

(5) The said External Director/Auditor who has received, directly from the Group, compensation as legal professional, accounting or taxation specialist, or consultant for an average of 10 million yen or more annually (excluding compensation paid for the position as Director/Auditor of the Company) for the last three years.

(6) The amount of donation by the Group to non-profit organization for which the said External Director/Auditor serves as an executive person was 10 million yen or more for the most recent fiscal year.

(7) A party who has fallen under any of the above 6 items in the past one year

(8) The said External Director/Auditor whose spouse, relative within the second degree, or relative living together falls under any items from 1 to the preceding item, or serves as Executive Director, Executive Officer, Manager, or employee in an important position at the Group

The “important” in this item is defined as being in a position of manager level or above.

(b) With regard to minor criteria concerning attribute information to be stated in the Independent Director/Auditor Designation Form, the Company deems “less than 100 million yen” as minor for “transactions,” and “less than 10 million yen” for “donation,” for the most recent fiscal year, and for the period starting from the beginning date of the current fiscal year to the submission date of the most recent designation form.

Proposal 5: To determine the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members)

It was approved at the 15th Ordinary General Meeting of Shareholders held on June 21, 2019 that the total amount of remuneration for the Company's Directors shall be within ¥1,700 million (including the amount of remuneration for External Directors, which is to be within ¥100 million) per year, which is monetary compensation consisting of fixed compensation and Directors' bonuses as performance-based compensation for a single fiscal year.

Subject to approval for Proposal 1 "To amend certain parts of the Articles of Incorporation," the Company will transfer to a company with an Audit and Supervisory Committee.

Accordingly, in line with the transfer to a company with an Audit and Supervisory Committee, to determine again the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members), it is proposed that the current limit on the amount of remuneration for Directors be repealed, and that the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) be within ¥1,700 million (including the amount of remuneration to External Directors, which is to be within ¥100 million) per year, taking into consideration the economic situation and other various circumstances.

If this proposal is approved, at a Board of Directors meeting to be held after the conclusion of this General Meeting, we plan to change the recipients currently indicated as "Directors" in the Decision Policy as Pertains to Details of Remuneration for Individual Directors described on page 48 of Business Report, to "Directors (excluding Directors serving as Audit and Supervisory Committee Members)," so that it will be consistent with the details of the approval.

This proposal is to determine the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) within a reasonable range, after taking into consideration the economic situation, the size of the Company, the number of Directors, and the level of remuneration at other companies, etc. In addition, as mentioned earlier, we plan to change the Decision Policy as Pertains to Details of Remuneration for Individual Directors. In order for the Company to determine details of remuneration for individual Directors in accordance with the Policy after such change, the contents of this Proposal are deemed necessary and reasonable.

It is also proposed that the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) be exclusive of employee salaries for Directors who double as employees. If Proposal 1 "To amend certain parts of the Articles of Incorporation" and Proposal 2 "To elect eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members)" are approved as originally proposed, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) will be eight (8), including three (3) External Directors.

This proposal shall become effective when Proposal 1 "To amend certain parts of the Articles of Incorporation" takes effect.

Proposal 6: To determine the amount of remuneration for Directors serving as Audit and Supervisory Committee Members

Subject to approval for Proposal 1 “To amend certain parts of the Articles of Incorporation,” the Company will transfer to a company with an Audit and Supervisory Committee.

Accordingly, in line with the transfer to a company with an Audit and Supervisory Committee, it is proposed that the amount of remuneration for Directors serving as Audit and Supervisory Committee Members be increased from ¥50 million per year, which is currently paid as remuneration for Audit & Supervisory Board Members, to ¥100 million per year, in consideration of duties and responsibilities of Directors serving as Audit and Supervisory Committee Members.

This proposal is to determine the amount of remuneration for Directors serving as Audit and Supervisory Committee Members within a reasonable range, after taking into consideration the responsibilities of Directors serving as Audit and Supervisory Committee Members and the level of the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members), and thus the contents of this Proposal is deemed necessary and reasonable.

If Proposal 1 “To amend certain parts of the Articles of Incorporation” and Proposal 3 “To elect four (4) Directors serving as Audit and Supervisory Committee Members” are approved as originally proposed, the number of Directors serving as Audit and Supervisory Committee Members will be four (4).

This proposal shall become effective when Proposal 1 “To amend certain parts of the Articles of Incorporation” takes effect.

Proposal 7: To determine stock compensation program with restriction on transfer for Directors (excluding Directors serving as Audit and Supervisory Committee Members)

It was approved at the 15th Ordinary General Meeting of Shareholders held on June 21, 2019 that the total amount of remuneration to the Company's Directors shall be within ¥1,700 million (including the amount of remuneration to External Directors, which is to be within ¥100 million) per year. In addition, at the 17th Ordinary General Meeting of Shareholders held on June 24, 2021, we received approval for the introduction of a stock compensation program with restriction on transfer for the Company's Directors (excluding External Directors), separately from the amount of remuneration stated above. At that meeting, it was also approved that the amount of remuneration to be paid to Directors (excluding External Directors) under this program shall be within ¥300 million per year.

Subject to approval for Proposal 1 "To amend certain parts of the Articles of Incorporation," the Company will transfer to a company with an Audit and Supervisory Committee.

Accordingly, in line with the transfer to a company with an Audit and Supervisory Committee, remuneration for granting shares with restriction on transfer for the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors; hereinafter referred to as the "Eligible Directors") will be monetary compensation receivables, a total amount of which will be ¥300 million yen per year as in the past, separately from the amount of remuneration under Proposal 5 "To determine the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members)." A program explained hereinafter in this proposal is identical to the stock compensation program with restriction on transfer, which was approved at the 17th Ordinary General Meeting of Shareholders held on June 24, 2021.

The stock compensation program with restriction on transfer (hereinafter referred to as the "Program") is a program under which the Company allots its shares of common stock to the Eligible Directors in accordance with the resolution of its Board of Directors meeting, by providing monetary compensation receivables within the total amount of monetary compensation receivables for grant of shares with restriction on transfer to them and make them contribute all of those monetary compensation receivables as assets for contribution in kind, and to attach the restriction on transfer for certain period of time to the allotted shares.

Specifically, shares with restriction on transfer consists of "continuous service based shares with restriction on transfer," in which the number of shares to be released from restriction on transfer is determined on the condition that the Eligible Directors act as Director of the Board of the Company for a certain period of time, and "performance-based shares with restriction on transfer," in which the number of shares to be released from restriction on transfer is determined based on the length of service as the Director of the Board of the Company, etc. and the degree of achievement of the business performance targets in our Mid-Term Plan.

The allotment of shares with restriction on transfer will be determined by the Board of Directors meeting, taking into consideration the degree of contribution of the Eligible Directors and other factors in a comprehensive manner and after receiving advice of the Independent Advisory Committee comprising of Independent External Directors and Independent External Audit & Supervisory Board Members (comprising of Independent External Directors after the transfer to a company with an Audit and Supervisory Committee), and thus its contents are deemed reasonable. At the Board of Directors meeting held on May 13, 2021, the Company determined its basic policy for the remuneration system for Directors and Audit & Supervisory Board Members, the outline of which is as described in the Business Report. The allotment of shares with restriction on transfer under this proposal is in line with this policy.

The current number of Directors is eight (8), including four (4) External Directors. If Proposal 2 "To elect Eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members)" is approved and resolved as originally proposed, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) will be eight (8), including three (3) External Directors.

Based on this proposal, the total amount of monetary compensation receivables to be provided to the Eligible Directors for granting shares with restriction on transfer shall be within ¥300 million per year, and the total number of shares of the Company's common stock to be issued or disposed of by the Company shall not exceed 300,000 shares (Note) per year, as approved at the 17th Ordinary General Meeting of Shareholders held on June 24, 2021. The amount to be paid in per share shall be the amount determined by the Board of

Directors of the Company within a range that is not particularly advantageous to the Eligible Directors who will receive such shares of the Company's common stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors pertaining to the issuance or disposal of such shares (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

(Note) In the event that the Company engages in a stock split, reverse stock split (including a gratis allotment of the Company's common stock), or other actions that may affect the value of its common stock per share, effective on or after the date of the resolution at this meeting, it will reasonably adjust the upper limit of total number of shares of its common stock to be issued or disposed of after taking the stock split ratio, reverse stock split ratio, and other factors into account.

The issuance or disposal of shares of the Company's common stock under this proposal is conditional upon the Eligible Directors' consent to the abovementioned in-kind contribution, and the execution of an agreement for allotment of shares with restriction on transfer including the following contents (hereinafter referred to as the "Allotment Agreement") between the Company and the Eligible Directors.

1. Transfer restriction period

The Eligible Directors who were allotted shares with restriction on transfer shall not transfer, create a security interest on, or otherwise dispose of (hereinafter referred to as the "Transfer Restriction") the allotted shares with restriction on transfer (hereinafter referred to as the "Allotted Shares") during a time period set out by the Company's Board of Directors, which shall be between 3 (three) years and 10 (ten) years from the date of allotment in accordance with the Allotment Agreement for "continuous service based shares with restriction on transfer," and during a time period until the conclusion of the first Ordinary General Meeting of Shareholders of the Company to be held after the completion of the Mid-Term Plan to be announced by the Company for "performance-based shares with restriction on transfer" (these periods are hereinafter collectively referred to as the "Transfer Restriction Period," for both the "continuous service based shares with restriction on transfer" and "performance-based shares with restriction on transfer").

2. Acquisition of the Allotted Shares free of charge

If the Eligible Director leaves his or her position as Director or Executive Officer of the Company or of a subsidiary of the Company (limited to subsidiaries in which the Company has a shareholding ratio of at least 50%; hereinafter together with the Company referred to as the "Group Companies") prior to the day immediately preceding the date of the first Ordinary General Meeting of Shareholders of the Company following the start date of the Transfer Restriction Period, the Company shall naturally acquire free of charge the Allotted Shares, unless such retirement is due to expiry of the term of office, reaching the retirement age, death or other reasons deemed justifiable by the Company's Board of Directors. At the expiry of the Transfer Restriction Period, in accordance with the provision of 3 below, the Company shall naturally acquire free of charge the Allotted Shares for which the Transfer Restriction has not been removed.

3. Removal of the Transfer Restriction

(1) "Continuous service based shares with restriction on transfer"

The Company shall remove the Transfer Restriction with respect to the Allotted Shares in whole at the expiry of the Transfer Restriction Period, provided that the Eligible Director continuously served as Director or Executive Officer of Group Companies during the period from the start date of the Transfer Restriction Period to the day immediately preceding the date of the first Ordinary General Meeting of Shareholders of the Company. However, in the event that an Eligible Director leaves any position as Director or Executive Officer of the Group Companies prior to the expiry of the Transfer Restriction Period due to expiry of the term of office, reaching the retirement age, death or other reasons deemed justifiable by the Company's Board of Directors, the number of the Allotted Shares subject to removal of the Transfer Restriction and the timing of such removal of the Transfer Restriction shall be reasonably adjusted, as necessary.

(2) "Performance-based shares with restriction on transfer"

The Company shall, upon applying a release rate according to the performance achievement level of the most recent fiscal year, and according to the length of service during the Mid-Term Plan, adjust reasonably as necessary the number of the Allotted Shares subject to removal of the Transfer Restriction and the timing of

such removal of the Transfer Restriction, provided that the Eligible Director continuously served as Director or Executive Officer of Group Companies during the period from the start date of the Transfer Restriction Period to the day immediately preceding the date of the first Ordinary General Meeting of Shareholders of the Company. However, in the event that an Eligible Director leaves any position as Director or Executive Officer of the Group Companies prior to the expiry of the Transfer Restriction Period due to reaching the retirement age, death or other reasons deemed justifiable by the Company's Board of Directors, or in the event that there is a change in positions during the period of the Mid-Term Plan, the number of the Allotted Shares subject to removal of the Transfer Restriction shall be reasonably adjusted, as necessary, within the range of performance conditions.

4. Treatment of the Allotted Shares in the event of organizational restructuring, etc.

If a matter concerning the organizational restructuring, etc. of the Company, such as a merger agreement whereby the Company will be the non-surviving party to the merger, or a share exchange agreement or share transfer plan whereby the Company will become a wholly owned subsidiary of another party, is approved at the Company's General Meeting of Shareholders (or by the Company's Board of Directors if such organizational restructuring, etc. does not require approval of the Company's General Meeting of Shareholders) during the Transfer Restriction Period (only if the effective date of such organizational restructuring, etc. comes prior to the expiration of the Transfer Restriction Period; hereinafter referred to as "At Approval of Organizational Restructuring"), and if the Eligible Director to whom shares with restriction on transfer are allotted leaves any position as Director or Executive Officer of Group Companies in line with such organizational restructuring, etc., the Company shall remove, based on the resolution of the Board of Directors of the Company, the Transfer Restriction of the Allotted Shares at a date prior to the effective date of such organizational restructuring, etc. as to the number of Allotted Shares as reasonably determined in consideration of the period from the start date of the Transfer Restriction Period to the day on which the organizational restructuring, etc. is approved. At Approval of Organizational Restructuring, immediately after the removal of the Transfer Restriction (a point in time prior to the effective date of such organizational restructuring, etc. reasonably determined by the Company's Board of Directors, if removal of the Transfer Restriction in accordance with the provision above does not take effect), the Company shall naturally acquire free of charge the Allotted Shares for which the Transfer Restriction has not been removed.

[Reference: Policies in this Mid-Term Plan]

1. Allocation decision policy

Within the range of monetary compensation receivables and allotted shares listed below, Board of Directors meeting of the Company will determine the ratio of fixed compensation for a single fiscal year, performance-based bonuses for a single fiscal year, and stock compensation with restriction on transfer at the time the Mid-Term Plan is achieved to be approximately 1:1:1. In addition, the ratio of continuous service based shares with restriction on transfer and performance-based shares with restriction on transfer in the current Mid-Term Plan is expected to be approximately 1:3.

2. Upper limit for the number of monetary compensation receivables and allotted shares

Eligible person	Number of people	Monetary compensation receivables	Common stocks
Eligible Directors	5 (Note)	Within 300 million yen	Up to 300,000 shares
Executive Officers of the Company Officers, etc. of Group Companies	49 (Note)	Within 700 million yen	Up to 700,000 shares

Note: This number is based on the number if Proposal 2 “To elect Eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members)” is approved and resolved as originally proposed.

3. Outline by condition

	Continuous service based	Performance-based (Note)
(1) Transfer Restriction Period	Period determined by the Board of Directors meeting of the Company of 3-10 years from allotment	Until the Ordinary General Meeting of Shareholders of the Company after the completion of the Mid-Term Plan
(2) Basic requirements for release	Continuous service for the period specified in (1)	Continuous service for the period specified in (1) and the degree of achievement of ROE at the end of the fiscal year ending March 31, 2024
(3) Basic conditions of allotment	Assume the post of Eligible Directors at the time of allotment of shares	Assume the post of the Eligible Directors, executive officers of the Company or Officers, etc. of Group Companies on the allotment date of the first year of the Mid-Term Plan.

Note: Performance-based shares with restriction on transfer are granted only in the first year of the Mid-Term Plan.

4. Details of performance-based conditions

ROE criteria As of end of the fiscal year ending March 31, 2024	Release rate Eligible Directors and Executive Officers of the Company	Release rate (Note) Officers, etc. of Group Companies
10% or more	100%	80-100%
8% or more, less than 10%	50%	30-50%
Less than 8%	0%	0-25%

Note: For Officers, etc. of Group Companies, in addition to the consolidated ROE criteria, five KPIs (ordinary income, ROIC, net sales per person, free cash flows, employee engagement score) for each company are set, and will determine the release rate after individual evaluations.

Business Report

(From April 1, 2021 To March 31, 2022)

I Outline of the Group's Business

1. The Current Business Development and Results of Operations

Regarding the environment of the Entertainment Contents Business, in the consumer area, the advance of digitization has continued to bring about major changes to the market environment as the environment of use for game contents and services expands and diversifies to include devices such as PCs, home video game consoles, and mobile devices, as well as networked platforms including cloud gaming services. In terms of business models, revenue opportunities are diversifying, including packaged sales, download content sales, free-to-play games (F2P), and subscription service flat-rate models. As for users, there has been a growing interest in the continued revitalization and growth of the game market on a global scale, as shown mainly by diversification in the ways in which not only players but also game streamers, viewers, and others are becoming involved in games, and expansion of the ecosystem surrounding the game market. As for amusement machines, the overall market remained steady, led by the prize category.

With regard to the pachislot and pachinko industry, the removal of machines based on former regulations was largely completed as of January 31, 2022, and the market has shifted to the new regulation machines. The number of parlors and the number of machines installed in the market decreased to approximately 7,900 (a decrease of 7.9% from the previous fiscal year) and 3,660 thousand (a decrease of 6.1% from the previous fiscal year), respectively, as of March 31, 2022, due to the removal of machines based on former regulations, but a certain size of the market was maintained. For pachinko machines, the replacement is progressing well with multiple titles of new regulation machines gaining popularity to meet the deadline for removing the machines based on former regulations which is scheduled for the end of January 2022. As for status of new regulation machines for pachinko machines, multiple titles gaining popularity released, and for pachislot machines, although the performance has been relatively sluggish, the easing of voluntary regulations, etc. has continued intermittently, and it is hoped that new titles expected to become popular among users will be introduced. Meanwhile, the supply system has been unstable due to the global shortage of semiconductors and logistics disruption.

In the resort industry, travel demand has been sluggish due to the impact from the spread of COVID-19. In Japan, although demand tends to increase outside the periods of state of emergency, etc. in the fiscal year ended March 31, 2022, the state of emergency, etc. were in place for approximately 60% of the days, in Tokyo, causing a significant impact on demand.

In this business environment, net sales for the fiscal year ended March 31, 2022 amounted to ¥320,949 million, (an increase of 15.6% from the previous fiscal year). The Group posted an operating income of ¥32,042 million (an increase of 389.0% from the previous fiscal year), ordinary income of ¥33,344 million (ordinary income of ¥1,715 million for the previous fiscal year). Also, due to recording gain on sales of investment securities as extraordinary income and decreasing taxable income from net loss carried forward and decreasing income taxes from tax credit relevant to research and development for subsidiaries in U.K., profit attributable to owners of parent of ¥37,027 million (profit attributable to owners of parent of ¥1,274 million for the previous fiscal year).

Result of each segment is as follows

Net sales in each segment here do not include Inter-segment sales between segments.

《Entertainment Contents》

In the consumer area, the Group worked on "Strengthen the Global Branding of Existing IPs", primarily through global simultaneous launch, multi-platform support, introduction of remastered titles, and support subscription services. For Full Game, the Group released "HUMANKIND™", "Sonic Colors: Ultimate", "LOST JUDGMENT", "Shin Megami Tensei V", "Total War: WARHAMMER III", etc., and these strongly performed, also catalog titles steadily performed, leading to sales of 27,200 thousand copies (41,770 thousand copies in the previous fiscal year). For free-to-play games (F2P), "HATSUNE MIKU: COLORFUL STAGE!" strongly performed, and the Group released new title "PHANTASY STAR ONLINE 2 NEW GENESIS" and "Sin Chronicle".

In the amusement machine sales area, the Group released "EIKETSU TAISEN", etc., and sales of UFO CATCHER® series and prizes, etc. strongly performed.

In the animation and toy area, the Group released "Detective Conan the Movie The Scarlet Bullet" and recorded revenue from video production and distribution, etc. For toys, new products such as "With a front camera! Fun to change mouse covers! Sumikkogurashi Personal Computer Premium", "Demon Slayer POD", etc., and regular products were sold.

As a result, net sales in this segment were ¥235,937 million (an increase of 8.3% from the previous fiscal year) and ordinary income was ¥36,861 million (an increase of 32.0% from the previous fiscal year).

《Pachislot and Pachinko Machines》

In the Pachislot and Pachinko Machines, the Group worked on "Creation of hits" by reviewing the product lineup and on "Improvement of business efficiency" by improving development efficiency. For pachislot machines, the Group has sold a revival of past product "Pachislot Aladdin A Classic", etc., leading to overall sales of 77 thousand units (35 thousand units in the previous fiscal year), and for pachinko machines, the Group has sold the latest in major series "P Hokuto No Ken 9 Tousein", etc., leading to overall sales of 97 thousand units (69 thousand units in the previous fiscal year). In addition, due to factors including the effects of the structural reform undertaken in the previous fiscal year, fixed costs have remained at a low level.

As a result, net sales in this segment were ¥75,868 million (an increase of 42.6% from the previous fiscal year) and ordinary income was ¥10,282 million (ordinary loss of ¥11,332 million for the previous fiscal year).

《Resort》

In the resort business, at "Phoenix Seagaia Resort", the number of guests for the third quarter ended December 31, 2021 exceeded that of the same period of the previous fiscal year, which largely took the effects of "Go To Travel Campaign", and demand from individual customers was high outside the periods of state of emergency. While, in the fiscal year ended March 31, 2022, the number of facility users decreased by 9.4% compared to the fiscal year ended March 31, 2020, which was before the full impact of COVID-19, as the state of emergency, etc. were in place approximately 60% of the days in the fiscal year ended March 31, 2022, not only in Tokyo but also in Miyazaki and other prefectures.

Overseas, "PARADISE CITY", operated by PARADISE SEGASAMMY Co., Ltd. (affiliate accounted for using the equity method) that the drop amounts (purchased amount of chips by customers at the table) was 48.5%, and the number of guests was 56.9% compared with the previous fiscal year, respectively, saw substantial decline from January to December 2021 due to the restriction of foreign visitors in each country caused by the spread of COVID-19, etc.

*PARADISE SEGASAMMY Co., Ltd. is posted 3 months delay due to the fiscal year ended in December.

As a result, net sales in this segment were ¥8,663 million (an increase of 37.1% from the previous fiscal year) and ordinary loss was ¥6,738 million (ordinary loss of ¥8,979 million for the previous fiscal year).

2. Issues to be Addressed

The environment in which the Entertainment Contents Business operates is characterized by rising expectations for the creation of profit opportunities based on further growth in the global game market and new business models. This comes in tandem with the increasing prevalence of network infrastructure and diversification in game distribution platforms in the consumer field (what up until last fiscal year had been the digital game software and packaged game software fields). Amidst such an environment, the Group has positioned the consumer field as a growth area in the Entertainment Contents Business, and will focus management resources on seizing upon mid- to long-term growth by developing quality contents and promoting global expansion. It will also enrich its library through the creation and utilization of intellectual property (IP), secure and nurture talented human resources that will enhance a structure for development, and endeavor to bolster user engagement with the long-term development of products and services. These are what the Group considers to be important management issues.

Amidst significant changes in regulatory and market environments, the pachislot and pachinko industry is trending toward a declining number of pachinko parlors, and an increasing number of larger pachinko parlors with a greater number of machines. As of the end of January 2022, the removal of pachinko and pachislot machines based on former standards was largely completed, and the market transitioned to that of machines based on the new standards. For pachinko machines, some of the new standard machines are gaining popularity. For pachislot machines, the easing of voluntary regulations is on-going. However, there are concerns over the rising costs of raw materials as a result of the global shortage of semiconductors, disruptions to logistics, and the soaring price of crude oil. Under these circumstances, in the Pachislot and Pachinko Machines Business, it is necessary for the Group to develop and supply products with innovative gameplay that meets market needs and complies with regulations so as to maintain and expand its market share. In addition, the need to improve profitability by increasing efficiency in areas such as development and by reducing costs through such means as the reuse of pachislot and pachinko machine parts is considered to be a management issue.

In the Resort Business, it has been seen that the spread of COVID-19 have a negative impact on the numbers of customers. Moving forward, even though social and economic activities are normalizing, it is anticipated that the outlook will remain uncertain. Under these circumstances, the Group believes that the establishing of a profit-making structure that is able to respond to a changing environment, such as through initiatives to improve measures for attracting individual customers, is a management issue.

In the five years from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2026, the Group has been allocating growth investment of ¥100 billion in the consumer field, a growth area, ¥100 billion in the gaming sector, and ¥50 billion in other areas, totaling ¥250 billion. The Company intends to proactively invest in these businesses as part of efforts to increase corporate value through business growth.

The Group has a mission of "Constantly Creating, Forever Captivating -Making Life More Colorful-" in order to realize a sustainable society and increase corporate value. The Group has identified the following five important issues (materialities) tied to the Group's businesses to be tackled using the external framework SASB model. In May, 2022, the Group formulated its sustainability vision "Sustainability helps keep life colorful". The Group believes that it is a management issue that the Group continues to work towards the realization of a sustainable society as established as part of ESG (environment, social and governance) approaches.

- Environment (reduce environmental burden)
- Addiction (mitigate addiction)
- Human resources (improve job satisfaction, increase diversity, and eliminate inequality)
- Products/Services (develop innovative products, raise the quality of products/services, safe product offerings)
- Governance (strengthen corporate governance)

3. Fund Procurement, etc.

(1) Fund Procurement

The Company concluded commitment line contract with financial institutions covering ¥78,000 million aimed at securing medium- to long-term capital liquidity and otherwise providing a Group wide safety net. Regarding fund procurement for the fiscal year ended March 31, 2022, no new fund procurement was executed.

For effective use of the Group funds, the Group is operating the Cash Management System (CMS) involving twenty Group companies including the Company, SEGA CORPORATION and Sammy Corporation, etc.

(2) Capital Expenditures

The Group's capital expenditures totaled ¥13,045 million, including ¥7,365 million in the entertainment contents business, ¥4,114 million in the pachislot and pachinko machines business, and ¥434 million in the resort business.

(3) Business Transfers, Absorption-type Demergers, and Incorporation-type Demergers

There is no applicable material information for the fiscal year ended March 31, 2022.

(4) Business Transfer from Other Companies

There is no applicable material information for the fiscal year ended March 31, 2022.

(5) Succession of Rights and Obligations Related to Businesses of Other Corporations, etc., through Absorption-type Mergers or Demergers

On April 1, 2021, an absorption type demerger of SEGA GROUP CORPORATION, a consolidated subsidiary of the Company, and Sammy Corporation, with the Company as the successor company. On the same day, SEGA CORPORATION, a consolidated subsidiary of the Company, carried out an absorption-type merger of SEGA GROUP CORPORATION.

(6) Acquisition or Disposition of Stocks and Other Interests or Subscription Rights to Shares, etc., of Other Companies

There is no applicable material information for the fiscal year ended March 31, 2022.

4. Assets and Profits and Losses for the Previous Fiscal Years

Fiscal Year Item		FY2019	FY2020	FY2021	FY2022
		From April 1, 2018 To March 31 2019	From April 1, 2019 To March 31 2020	From April 1, 2020 To March 31 2021	From April 1, 2021 To March 31 2022
Net sales	(¥ million)	331,648	366,594	277,748	320,949
Ordinary income	(¥ million)	7,495	25,296	1,715	33,344
Profit attributable to owners of parent	(¥ million)	2,642	13,775	1,274	37,027
Net income per share	(¥)	11.27	58.65	5.42	158.85
Total assets	(¥ million)	464,654	458,268	421,599	435,492
Net assets	(¥ million)	305,337	296,858	291,256	292,637

Notes: 1. Figures shown in millions of yen have been rounded down to the nearest million.

2. Net income per share is calculated based on the average number of shares outstanding during the period.

3. Upon the adoption of "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued by the Accounting Standards Board of Japan on March 31, 2020), and "Implementation Guidance on Accounting Standard for Revenue Recognition" (The revised ASBJ Guidance No. 30, revised by the Accounting Standards Board of Japan on March 26, 2021.), the amounts reported in FY2022 of "Assets and Profits and Losses for the Previous Fiscal Years" were the amounts after applying the accounting standard, etc.

5. Major Business Segments

The business segments of the SEGA SAMMY Group are Entertainment Contents Business, Pachislot and Pachinko Machines Business and Resort Business. The primary business activities are as follows.

Segment	Main business
Entertainment Contents Business	Development and sales of digital game software serving as the main axis of segments, development and sales of packaged game software and amusement machines, planning, production and sales of animated films, development, manufacture and sales of toys
Pachislot and Pachinko Machines Business	Development, manufacture and sales of pachislot and pachinko machines
Resort Business	Development and operation of hotels and golf courses, etc. in the integrated resorts business and other facilities businesses

6. Major Business Locations of the Group

- (1) The Company: SEGA SAMMY HOLDINGS INC.
Head Office (Shinagawa-ku, Tokyo)

- (2) Office of the main subsidiaries
 - ① SEGA CORPORATION
Head Office (Shinagawa-ku, Tokyo)

 - ② Sammy Corporation
Head Office (Shinagawa-ku, Tokyo)
Kawagoe Factory (Kawagoe-shi, Saitama)
Branches (8 Branches)

- (3) Employees of the Group
Number of employees (change from end of previous year) 7,760 (225 increase)
Note: The number of employees includes full-time staff and staff on loan, but not temporary employees.

7. Material Parent Company and Subsidiaries

(1) Relationships with parent company

There is no pertinent matter.

(2) Relationships with subsidiaries

Company	Capital	Percentage ratio of issued shares	Main business
SEGA CORPORATION	¥100 million	100.0%	Planning/development/sales of game-related content for mobiles, PCs, smart devices and home video game platforms Development/manufacture/sales of amusement machine
Sammy Corporation	¥18,221 million	100.0%	Development/manufacture/sales of pachislot and pachinko machines
ATLUS CO., LTD.	¥10 million	100.0% (Note 1)	Development of home video game software
Sega of America, Inc.	US\$110,000 thousand	100.0% (Note 1)	Development management/sales of home video game software
Sega Europe Ltd.	£10,000 thousand	100.0% (Note 1)	Development management/sales of home video game software
Sega Publishing Europe Ltd.	£0 thousand	100.0% (Note 1)	Development management/sales of home video game software
Sega Logistics Service Co., Ltd.	¥100 million	100.0% (Note 1)	Maintenance service, transportation and warehouse business
DARTSLIVE Co., Ltd.	¥10 million	100.0% (Note 1)	Planning/development/sales of game equipment and game software
SEGA TOYS CO., LTD.	¥100 million	100.0% (Note 1)	Development/manufacture/sales of toys
TMS ENTERTAINMENT CO., LTD.	¥100 million	100.0% (Note 1)	Planning/production/sales and other activities involving animated movies
MARZA ANIMATION PLANET INC.	¥100 million	100.0% (Note 1)	Production of computer graphics animations, planning/production of animated movies, licensing business
RODEO Co., Ltd.	¥100 million	100.0% (Note 1)	Development/manufacture/sales of pachislot machines
TAIYO ELEC Co., Ltd.	¥100 million	100.0% (Note 1)	Development/manufacture/sales of pachislot and pachinko machines
Sammy Networks Co., Ltd.	¥100 million	100.0% (Note 1)	Planning/production/sales of game and music contents through mobile phones and Internet, etc.
SEGA SAMMY CREATION INC.	¥10 million	100.0%	Development/production/sales of casino gaming machines
PHOENIX RESORT CO., LTD.	¥93 million	100.0%	Operation of resort facilities, including hotels, spas, golf courses, restaurants and international conference halls

Notes: 1. Percentage of ratio of issued shares includes rights of indirectly owned shares.

2. SEGA GROUP CORPORATION which was the consolidated subsidiary of the Company in the previous fiscal year, has been excluded from the scope of consolidation due to carrying out of the absorption-type merger with SEGA CORPORATION as the surviving company.

(3) The status of the specified wholly owned subsidiaries

Name of specified wholly owned subsidiary	Address of specified wholly owned subsidiary	Book value of shares of wholly owned subsidiary
SEGA CORPORATION	1-1-1, Nishi-Shinagawa, Shinagawa-ku, Tokyo	¥117,666 million
Sammy Corporation	1-1-1, Nishi-Shinagawa, Shinagawa-ku, Tokyo	¥152,095 million

Note: Amount of total assets of the Company: ¥388,517 million

8. Main Banks and Borrowings

Lenders	Balance of loans payable
Sumitomo Mitsui Banking Corporation	¥17,500 million
MUFG Bank, Ltd.	¥7,000 million
Mizuho Bank, Ltd.	¥5,000 million
Resona Bank, Limited	¥4,200 million
Aozora Bank, Ltd.	¥4,000 million
The Bank of Yokohama, Ltd.	¥3,640 million
Sumitomo Mitsui Trust Bank, Limited	¥660 million
Total	¥42,000 million

9. Where the Articles of Incorporation Provide for the Board of Directors to Determine Distributions, etc., of Retained Earnings, Policy Regarding Exercise of Such Authority

The Company positions the return of profits to shareholders as an important management issue. The basic policy for shareholder returns is to maintain a total return ratio of 50% or more, taking the optimal balance between investment for business growth and capital efficiency improvement into account. With regard to dividends, the Company has set a dividend policy of DOE (Dividend on equity ratio) 3% or more as an indicator for achieving stable dividends and determine the specific dividends amount while also considering the results of past dividends. Also, as a way for shareholder return, the Company will determine buybacks of share flexibly, taking business performance trend and stock market trend into account.

For dividends from retained earnings for the fiscal year ending March 31, 2022, annual dividends per share is scheduled to be ¥40 (of which, ¥20 for interim dividends) in accordance with the above basic policy for shareholder returns. In addition, as a shareholder return policy, the Company purchased ¥29,999 million of treasury stock during the period from November 9, 2021 to April 19, 2022, resulting in a total return ratio of 105.8% including dividends from retained earnings for the fiscal year ended March 31, 2022 (the total return ratio for the period from November 9, 2021 to March 31, 2022, including ¥25,024 million of purchase of treasury stock and dividends from retained earnings, was 92.3%).

10. Other Significant Events of the Group

There is no applicable material information for the fiscal year ended March 31, 2022.

II Shares Outstanding and Shareholders

1. **Number of shares authorized for issue** **800,000,000 shares**
2. **Total shares issued and outstanding** **266,229,476 shares**
3. **Number of shareholders** **59,244**
4. **Principal shareholders (Top 10)**

Name of shareholder	Investment in SEGA SAMMY HOLDINGS	
	Shares held	Shareholding ratio (%)
HS Company	35,308,000	15.83
The Master Trust Bank of Japan, Ltd. (Trust account)	33,251,900	14.91
Custody Bank of Japan, Ltd. (Trust account)	14,826,200	6.65
FSC Co., Ltd.	13,682,840	6.13
Hajime Satomi	7,885,038	3.53
STATE STREET BANK AND TRUST COMPANY 505001	6,589,825	2.95
KOREA SECURITIES DEPOSITORY-SAMSUNG	5,648,900	2.53
Haruki Satomi	3,887,361	1.74
THE BANK OF NEW YORK MELLON 140044	3,413,032	1.53
Hideo Ando	2,694,500	1.20

Note: Shareholding ratio was calculated excluding treasury stock (43,307,930 shares).

5. **Status of shares issued to officers of the Company as a consideration for execution of duties during current fiscal year**

	Number of shares (Shares with restriction on transfer)	Number of recipients of shares
Directors (excluding External Directors)	128,300	4

Notes: 1. Details of the stock compensation are stated in "III Company Directors and Audit & Supervisory Board Members, 2. Remuneration, etc., to Directors and Audit & Supervisory Board Members" in the business report.

2. In addition to the above, the Company issued 285,000 shares to 48 of the Company's Effective Officers, and certain Director and Effective Officers of its subsidiaries.

6. **Other important matters pertaining to shares**

(1) Acquisition of Treasury Stock

Upon a resolution of the Board of Directors at a meeting held on November 8, 2021 and in accordance with the provisions of Article 156 of the Companies Act applied mutatis mutandis pursuant to the provisions on Article 165, Paragraph 3 of the Companies Act, the Company purchased 14,801,000 shares of the Company from the market for a price of ¥29,999 million between November 9, 2021 and April 19, 2022. The reason for the repurchase was to improve shareholder returns and capital efficiency.

(2) Disposal of Treasury Stock

Based on a resolution of the Board of Directors at a meeting held on July 16, 2021, the Company disposed of treasury stock as stock compensation with restriction of transfer. Through this disposal, the number of shares of treasury stock decreased by 413,300.

III Company Directors and Audit & Supervisory Board Members

1. Directors and Audit & Supervisory Board Members (As of March 31, 2022)

Title and areas of responsibility	Name	Important concurrent posts
Chairman (Representative Director)	Hajime Satomi	Honorary Chairman of the Board of SEGA CORPORATION Chairman of the Board (Representative Director) of Sammy Corporation
President and Group CEO (Representative Director) in charge of Executive Secretariat Division, Public Relations Office, Group Licensing Division, Sustainability Promotion Division, and Internal Audit Department	Haruki Satomi	Chairman and CEO (Representative Director) of SEGA CORPORATION President and CEO (Representative Director) of Sammy Corporation
Senior Executive Vice President and Group CFO, Director of the Board in charge of Integrated Resort Business Division, Corporate Planning Division, Finance & Accounting Division, IT Solution Division, and Human Resource Development Division	Koichi Fukazawa	Director of the Board of Sammy Corporation
Senior Vice President, Director of the Board in charge of General Administration Division, Legal & Intellectual Property Division, and Internal Control Office	Hideo Yoshizawa	Senior Vice President, Director of the Board of SEGA CORPORATION
Director of the Board	Kohei Katsukawa	Outside Director of ELECOM CO., LTD.
Director of the Board	Melanie Brock	CEO of Melanie Brock Advisory Ltd.
Director of the Board	Naoko Murasaki	President and Representative Director of Nobligier Co., Ltd. Outside Director of Sansei Landic Co.,Ltd.
Director of the Board	Fujiyo Ishiguro	Director of Netyear Group Corporation Outside Director of Monex Group, Inc. Outside Director of WingArc1st Inc.
Audit & Supervisory Board Member (Standing)	Yukito Sakaue	Audit & Supervisory Board Member of SEGA CORPORATION
Audit & Supervisory Board Member	Kazutaka Okubo	President and Representative Director of Okubo Associates Inc. President and Representative Director of K.K. SS Dnaform Outside Director of Sun Frontier Fudousan Co., Ltd. Outside Director of LIFULL Co., Ltd. Outside Director of SALA Corporation Outside Director of Musashi Seimitsu Industry Co., Ltd. (Audit and Supervisory Committee Member) Outside Director of BrainPad Inc. (Audit and Supervisory Committee Member)

Audit & Supervisory Board Member	Shione Kinoshita	Attorney-at-law of Daichifuyo Law Office
----------------------------------	------------------	--

- Notes: 1. Kohei Katsukawa, Melanie Brock, Naoko Murasaki and Fujiyo Ishiguro are External Director of the Board as stipulated in Article 2, Clause 15 of the Companies Act.
2. Kazutaka Okubo and Shione Kinoshita are External Audit & Supervisory Board Member as stipulated in Article 2, Clause 16 of the Companies Act.
3. The Company has submitted an Independent Directors/Audit & Supervisory Board Members Notification Form to Tokyo Stock Exchange, Inc. to register Directors of Kohei Katsukawa, Melanie Brock, Naoko Murasaki and Fujiyo Ishiguro, and Audit & Supervisory Board Members of Kazutaka Okubo and Shione Kinoshita as Independent Directors/Audit & Supervisory Board Members.
4. The Company has adopted the executive officer system to speed up decision-making, strengthen oversight of business execution, and reinforce business execution functions. The Company has eleven executive officers. Among them, two executive officers: Koichi Fukazawa and Hideo Yoshizawa who concurrently serve as Director of the Board, and nine executive officers: Yukio Sugino, Executive Vice President; Makoto Takahashi, Managing Director of Corporate Planning Division, Human Resources Development Division; Toru Nakahara, General Counsel; Yoichi Owaki, Managing Director of Finance & Accounting Division, Executive Secretariat Division; Takaharu Kato, Managing Director of IT Solution Division; Rei Kudo, Managing Director of Group Licensing Division; Hironobu Otsuka, Managing Director of Integrated Resort Business Division, Public Relations Office; Koji Takeyama, Managing Director of General Administration Division; Yuka Ichiki, Managing Director of Sustainability Promotion Division who don't serve as Director of the Board.
1. 5. Since April 1, 2022, the Company has the following twelve executive officers. Among them, two executive officers: Koichi Fukazawa and Hideo Yoshizawa who concurrently serve as Director of the Board, and ten executive officers: Yukio Sugino, in charge of Group Licensing Division; Makoto Takahashi, Managing Director of Corporate Planning Division, Human Resources Development Division; Yoichi Owaki, Managing Director of Finance & Accounting Division, Executive Secretariat Division; Toru Nakahara, General Counsel; Takaharu Kato, Managing Director of IT Solution Division; Rei Kudo, Managing Director of Group Licensing Division; Hironobu Otsuka, Managing Director of Public Relations Office; Koji Takeyama, Managing Director of General Corporate Administration Division, Global Corporate Governance Division; Yuka Ichiki, Managing Director of Sustainability Promotion Division; Yukio Kawasaki, Managing Director of Internal Audit Division who don't serve as Director of the Board.
6. Kazuaki Inaoka was elected as Substitute Audit & Supervisory Board Member stipulated in Article 329, Clause 3 of the Companies Act at the ordinary general meeting of shareholders held on June 24, 2021 in preparation for the case when the number of Audit & Supervisory Board Members becomes less than the number prescribed by the laws and regulations.

2. Remuneration, etc., to Directors and Audit & Supervisory Board Members

(1) Total Remuneration, etc., to Directors and Audit & Supervisory Board Members

Title	Number of individuals	Remuneration, etc. (¥ million)	Total amount of remuneration, etc. by type (¥ million)			
			basic remuneration	bonuses	performance-based shares with restriction on transfer	continuous service based shares with restriction on transfer
Directors (of which External Directors)	10 (5)	1,195 (53)	639 (53)	507 (-)	48 (-)	- (-)
Audit & Supervisory Board Members (of which External Audit & Supervisory Board Members)	5 (3)	41 (23)	41 (23)	- (-)	- (-)	- (-)
Total	15	1,236	681	507	48	-

- Notes: 1. The amounts of both bonuses and remuneration of performance-based shares with restriction on transfer in the table above are the amounts that were posted as expenses in the current fiscal year.
2. As of the end of the fiscal year ended March 31, 2022, the number of Directors was eight (including four External Directors), and the number of Audit & Supervisory Board Members was three (including two External Audit & Supervisory Board Members). These figures differ from the number of individuals mentioned above because of including two retired Directors (including one External Director) and two retired Audit & Supervisory Board Members (including one External Audit & Supervisory Board Member) at the conclusion of the ordinary general meeting of shareholders held on June 24, 2021.

(2) Items Associated with Decision Policy as Pertains to Details of Remuneration for Individual Directors

Regarding the remuneration system for Directors (excluding External Directors), the primary focus is to function as an incentive to raise the Group's corporate value and sustainable growth. Moreover, its basic policy is to put in place a highly transparent and objective decision-making process.

Concerning decision policy for Directors' remuneration and other amounts, the Representative Director directs the Independent Advisory Committee on the compensation scheme as well as calculation method used for each type of compensation, among other matters. The Independent Advisory Committee deliberates and evaluates these details, and the result is proposed to the Representative Director as their opinions. Taking these opinions into account as a reference, the Representative Director consults the Board of Directors on the policy to determine remuneration amounts, then makes a final decision on the policy.

Decisions on the details of Directors' remuneration are made by the Independent Advisory Committee's deliberating and evaluating, with those findings being respected by the Board of Directors and a determination made in line with the decision policy.

The compensation scheme for the Company's Directors (excluding External Directors) is, from the perspective of basic remuneration, comprised of fixed remuneration and Directors' bonuses as performance-linked remuneration, and stock compensation with restriction of transfer.

Regarding fixed remuneration, a remuneration table is formulated to specify the amounts for each of the components, namely, basic remuneration and role remuneration. The Company shall provide the sum of these components of remuneration as monthly fixed remuneration.

From the perspective of their role and independence, the remuneration of External Directors is comprised of fixed remuneration (basic remuneration only), and the amount of remuneration is decided by the Board of Directors.

Audit & Supervisory Board Members' remuneration is comprised of fixed remuneration (basic remuneration only) in accordance with their duties, and is based on their responsibilities to audit the execution of duties throughout the Group. The amount of remuneration is decided through discussions at the Audit & Supervisory Board.

(3) Policy on Determining the Details and Amount or Quantity of Performance-linked Remuneration and Non-Monetary Remuneration

Directors' bonuses are provided as performance-linked remuneration. The amount of a Directors' bonus is provided by multiplying the coefficient calculation from a bonus table that specifies the number of months for Directors' bonuses according to three factors, namely, the ordinary income level, the level of business plan achievement, and the year-on-year growth level, against fixed compensation.

*In the event a loss attributable to owners of parent is recorded, no Directors' bonuses shall be paid.

The evaluation index for Directors' bonus calculation adopts ordinary income, which is the income ordinarily generated by the Group from throughout its business activities, including gains and losses on investments that occur through the application of the equity method to its main business. In addition, the level of business plan achievement and the year-on-year growth level are employed to clarify responsibility for announced plans and to clarify responsibility for sustainable growth, respectively.

The targets and results of indices associated with performance-linked remuneration in the current fiscal year are as below.

(Unit: billions of yen)

	FY2021	FY2022		Changes from prior year	Changes from business plan
	Results	Business plan	Results		
Net sales	277.7	312.0	320.9	+43.2	+ 8.9
Ordinary income	1.7	20.0	33.3	+31.6	+ 13.3

The system of stock compensation with restriction of transfer, resolved to be introduced at the Ordinary General Meeting of Shareholders held on June 21, 2019, has the objective of providing an incentive for Directors (excluding External Directors) to sustainably raise the Company's corporate value, together with further facilitating sharing of value with shareholders and Directors (excluding External Directors).

Further, at the Ordinary General Meeting of Shareholders held on June 24, 2021, for the purpose of further matching the long-term benefits of Directors with shareholders and to link the remuneration for the Company's Directors with the Medium-Term Plan (from fiscal year ended March 31, 2022 to fiscal year ending March 31, 2024) (hereinafter referred to as the "Mid-Term Plan") of SEGA SAMMY Group, which was established to improve the Company's corporate value over the medium to long term, the Company revised the stock compensation program with restriction on transfer. Shares with restriction on transfer consists of "continuous service based shares with restriction on transfer," in which the number of shares to be released from restriction on transfer is determined on the condition that the eligible Directors act as Director of the Board of the Company for a certain period of time, and "performance-based shares with restriction on transfer," in which the number of shares to be released from restriction on transfer is determined based on the length of service as the Director of the Board of the Company, etc., and the degree of achievement of the business performance targets in the Mid-Term Plan. It has been resolved that the remuneration under this system to be provided to eligible Directors shall be stock compensation with restriction of transfer, separate from Directors' conventional remuneration, and shall not exceed ¥300 million per year, with the total number of shares of the Company's common stock to be issued or disposed of not exceeding 300,000 shares per year. The rate at which shares will be released from restriction on transfer according to the degree of achievement of the business performance targets in the Mid-Term Plan is as follows:

ROE criteria As of the end of the fiscal year ending March 31, 2024	Release rate
10% or more	100%
8% or more and less than 10%	50%
Less than 8%	0%

Specific details of the provision and allocation will be determined by the Board of Directors such that the ratio of fixed compensation for a single fiscal year, performance-based bonuses for a single fiscal year, and stock compensation with restriction on transfer at the time of the Mid-Term Plan will be approximately 1:1:1. Further, the ratio of continuous service based shares with restriction on transfer and performance-based shares with restriction on transfer in the current Mid-Term Plan is expected to be approximately 1:3.

(4) Items with Regard to General Meeting of Shareholders' Resolutions Pertaining to the Remuneration of Directors and Audit & Supervisory Board Members

The dates of resolutions made at the Ordinary General Meeting of Shareholders pertaining to remuneration of the Company's officers are as follows.

- The remuneration limit for Directors is ¥1,700 million (¥100 million for External Directors), pursuant to the resolution at the Ordinary General Meeting of Shareholders on June 21, 2019. At the time of the resolution there were 10 Directors (four of whom were External Directors).
- The remuneration limit for Audit & Supervisory Board Members is ¥50 million, pursuant to the resolution at the Ordinary General Meeting of Shareholders of Sammy Corporation on June 25, 2004, and at the Ordinary General Meeting of Shareholders of SEGA CORPORATION on June 29, 2004. At the time of the resolution there were four Audit & Supervisory Board Members.
- It was resolved at the Ordinary General Meeting of Shareholders held on June 21, 2019 to introduce a system of stock compensation with restriction of transfer. In addition, at the Ordinary General Meeting of Shareholders held on June 24, 2021, a partial revision was made to the system of stock compensation with restriction on transfer. Shares with restriction on transfer consist of "continuous service based shares with restriction on transfer," in which the number of shares to be released from restriction on transfer is determined on the condition that the eligible Directors act as Director of the Board of the Company for a certain period of time, and "performance-based shares with restriction on transfer," in which the number of shares to be released from restriction on transfer is determined based on the length of service as the Director of the Board of the Company, etc., and the degree of achievement of the business performance targets in the Mid-Term Plan. It was resolved that the amount of remuneration thereof shall be an amount not exceeding ¥300 million per year, and that the total number of shares of the Company's stock shall not exceed 300,000 shares per year. At the time of the resolution, there were four eligible Directors.

3. Liability Limitation Agreements

It is stipulated in the Articles of Incorporation that the Company may enter into agreements with Directors (excluding executive Directors etc.) and Audit & Supervisory Board Members that limit their liabilities for damages.

The outline of the liability limitation agreement that the Company entered into with Directors (excluding Executive Directors, etc.) and Audit & Supervisory Board Members respectively in accordance with the Articles of Incorporation is as follows:

(Outline of Liability Limitation Agreement)

The liability to compensate for damages under Article 423, Clause 1 of the Companies Act will be limited to the minimum liability set forth by law in the absence of malicious intent or material negligence.

4. Items with Regard to Liability Insurance Contracts for Officers and Others

The Company has entered into an agreement with an insurance company concerning liability insurance contracts for officers and others. Those insured under the said liability insurance contracts are Directors, Audit & Supervisory Board Members, and managerial employees of the Company, and certain subsidiaries and affiliated companies. Concerning all of those who are insured, the Company, subsidiaries and affiliated companies pay the entirety of such insurance fees.

(Overview of liability insurance contracts for officers and others)

The said contract serves to compensate for damages, legal defense and other costs where the insured person is held liable in third-party litigation, shareholder representative lawsuits, corporate and other litigation. However, when said damages are the result of intent or negligence, they are outside of the scope of compensation. In this way, measures are in place so as not to impair the appropriateness of the duties executed by officers and others.

5. External Directors and Audit & Supervisory Board Members

(1) Main Activities of External Directors and Audit & Supervisory Board Members

Title	Name	Major activities
External Director	Kohei Katsukawa	He attended 12 Board of Directors meetings out of the 12 meetings during the year (12 out of 12 regular meetings) and expressed his opinion on managerial viewpoints as relates to financial matters based on a wealth of experience gained through his many years serving at financial institutions. He also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors.
External Director	Melanie Brock	She attended 12 Board of Directors meetings out of the 12 meetings during the year (12 out of 12 regular meetings) and expressed her opinion on managerial viewpoints as an international business leader. She also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors.
External Director	Naoko Murasaki	She attended 10 Board of Directors meetings out of the 10 meetings held after her appointment during the year (10 out of 10 regular meetings) and expressed her opinions based on a wealth of knowledge primarily, in the field of global risk and governance. She also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors.
External Director	Fujiyo Ishiguro	She attended 10 Board of Directors meetings out of the 10 meetings held after her appointment during the year (10 out of 10 regular meetings) and expressed her options based on a wealth of knowledge, mainly in corporate management and the digital field. She also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors.
External Audit & Supervisory Board Member	Kazutaka Okubo	He attended 12 Board of Directors meetings out of the 12 meetings during the year (12 out of 12 regular meetings) and expressed his opinion on professional and managerial viewpoints concerning the financial accounting and the internal control as a certified public accountant. He also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors. He also attended 13 Audit & Supervisory Board meetings out of the 13 meetings during the year exchanging the opinions on auditing results and deliberating the significant issues related to audits.
External Audit & Supervisory Board Member	Shione Kinoshita	She attended 10 Board of Directors meetings out of the 10 meetings held after her appointment during the year (10 out of 10 regular meetings) and expressed her opinions based on her experience as an attorney-at-law, her high degree of expertise in labor laws, and wealth of knowledge regarding governance. She also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors. She also attended 10 Audit & Supervisory Board meetings out of the 10 meetings held after her appointment during the year exchanging the opinions on auditing results and deliberating the significant issues related to audits.

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

(2) Total Remuneration, etc., to External Directors and Audit & Supervisory Board Members

	Number of individuals	Remuneration, etc.	Of which remuneration, etc., from subsidiary
Total remuneration, etc., to External Directors and Audit & Supervisory Board Members	8	¥76 million	¥ -million

Consolidated Balance Sheet

(As of March 31, 2022)

(Unit: millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	287,789	Current liabilities	86,986
Cash and deposits	152,459	Notes and accounts payable - trade	24,455
Notes and accounts receivable - trade and contract assets	38,952	Short-term loans payable	10,000
Merchandise and finished goods	9,336	Accrued expenses	20,360
Work in process	42,145	Income taxes payable	2,069
Raw materials and supplies	16,044	Provision for bonuses	8,383
Income taxes receivable	11,814	Provision for directors' bonuses	1,189
Other	17,360	Provision for point card certificates	115
Allowance for doubtful accounts	(323)	Asset retirement obligations	199
Noncurrent assets	147,703	Other	20,211
Property, plant and equipment	60,358	Noncurrent liabilities	55,869
Buildings and structures, net	28,755	Bonds payable	10,000
Machinery, equipment and vehicles, net	1,318	Long-term loans payable	32,000
Amusement machines and facilities, net	701	Lease obligations	4,013
Land	18,522	Net defined benefit liability	4,395
Construction in progress	657	Deferred tax liabilities	469
Other, net	10,403	Asset retirement obligations	2,560
Intangible assets	13,183	Provision for dismantling of fixed assets	420
Goodwill	3,460	Other	2,009
Other	9,722	Total liabilities	142,855
Investments and other assets	74,161	Net assets	
Investment securities	40,699	Shareholders' equity	294,440
Long-term loans receivable	428	Capital stock	29,953
Lease and guarantee deposits	7,164	Capital surplus	117,689
Net defined benefit assets	2,984	Retained earnings	224,684
Deferred tax assets	13,446	Treasury stock	(77,886)
Other	9,826	Accumulated other comprehensive income	(2,028)
Allowance for doubtful accounts	(387)	Valuation difference on available-for-sale securities	2,270
		Deferred gains or losses on hedges	(33)
		Revaluation reserve for land	(1,109)
		Foreign currency translation adjustment	41
		Remeasurements of defined benefit plans	(3,199)
		Subscription rights to shares	176
		Non-controlling interests	49
		Total net assets	292,637
Total assets	435,492	Total liabilities and net assets	435,492

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Unit: millions of yen)

Item	Amount	
Net sales		320,949
Cost of sales		193,081
Gross profit		127,868
Selling, general and administrative expenses		95,825
Operating income		32,042
Non-operating income		
Interest income	112	
Dividends income	498	
Gain on investments in partnership	3,052	
Foreign exchange gains	1,337	
Other	906	5,907
Non-operating expenses		
Interest expenses	301	
Equity in losses of affiliates	2,778	
Commission fee	102	
Loss on investments in partnership	479	
Loss on retirement of noncurrent assets	469	
Other	474	4,606
Ordinary income		33,344
Extraordinary income		
Gain on sales of noncurrent assets	1,988	
Gain on sales of investment securities	2,516	
Gain on sales of shares of subsidiaries and affiliates	698	
Other	71	5,273
Extraordinary loss		
Loss on sales of noncurrent assets	50	
Impairment loss	430	
Loss on valuation of investment securities	0	
Loss on COVID-19	113	
Other	101	696
Income before income taxes		37,921
Income taxes-current	1,989	
Income taxes-deferred	(1,086)	903
Profit		37,018
Loss attributable to non-controlling interests		8
Profit attributable to owners of parent		37,027

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Non-Consolidated Balance Sheet

(As of March 31, 2022)

(Unit: millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	40,071	Current liabilities	72,494
Cash and deposits	30,167	Short-term loans payable	10,000
Accounts receivable - trade	1,127	Accounts payable-other	3,662
Prepaid expenses	1,065	Accrued expenses	824
Short-term loans receivable from subsidiaries and affiliates	1,800	Income taxes payable	55
Accounts receivable-other	2,876	Deposits received	56,440
Other	3,033	Provision for bonuses	682
Noncurrent assets	348,446	Provision for directors' bonuses	507
Property, plant and equipment	9,554	Asset retirement obligations	199
Buildings, net	4,520	Other	121
Structures, net	589	Noncurrent liabilities	56,462
Machinery and equipment, net	28	Bonds payable	10,000
Vehicles, net	60	Long-term loans payable	32,000
Tools, furniture and fixtures, net	2,559	Asset retirement obligations	582
Land	1,794	Provision for retirement benefits	540
Construction in progress	1	Long-term deposits received	12,775
Intangible assets	824	Deferred tax liabilities	300
Software	454	Other	263
Other	370	Total liabilities	128,956
Investments and other assets	338,067	Net assets	
Investment securities	10,688	Shareholders' equity	259,001
Shares of subsidiaries and affiliates	310,046	Capital stock	29,953
Investments in capital of subsidiaries and affiliates	948	Capital surplus	192,085
Long-term loans receivable from subsidiaries and affiliates	20,095	Legal capital surplus	29,945
Long-term loans receivable	38	Other capital surplus	162,140
Long-term prepaid expenses	277	Retained earnings	115,124
Other	5,728	Other retained earnings	115,124
Allowance for doubtful accounts	(9,755)	Retained earnings brought forward	115,124
		Treasury stock	(78,161)
		Valuation and translation adjustments	383
		Valuation difference on available-for-sale securities	383
		Subscription rights to shares	176
		Total net assets	259,560
Total assets	388,517	Total liabilities and net assets	388,517

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Non-Consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Unit: millions of yen)

Item	Amount	
Operating revenue		
Consulting fee income	8,354	
Shared service income	3,967	
Dividends income	9,394	21,716
Operating expenses		
Selling, general and administrative expenses	14,724	14,724
Operating income		6,992
Non-operating income		
Interest income	146	
Interest on securities	18	
Dividends income	27	
Income from operation of noncurrent assets	12	
Gain on investments in partnership	2,435	
Foreign exchange gains	233	
Other	241	3,115
Non-operating expenses		
Interest expenses	397	
Interest on bonds	38	
Commission fee	101	
Loss on investments in partnership	404	
Provision of allowance for doubtful accounts	93	
Other	631	1,666
Ordinary income		8,441
Extraordinary income		
Gain on sales of noncurrent assets	1,985	
Gain on extinguishment of tie-in shares	50	
Other	2	2,038
Extraordinary loss		
Loss on sales of investment securities	26	
Loss on COVID-19	66	
Loss on extinguishment of tie-in shares	138	
Other	1	233
Income before income taxes		10,246
Income taxes-current	518	
Income taxes-deferred	(218)	299
Net income		9,947

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Independent Auditor's Report

May 12, 2022

To the Board of Directors of SEGA SAMMY HOLDINGS INC.:

KPMG AZSA LLC
Tokyo Office, Japan

Hidetoshi Fukuda (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Danya Sekiguchi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yoichi Ueno (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of SEGA SAMMY HOLDINGS INC. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate auditors and the board of corporate auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair

presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Independent Auditor's Report

May 12, 2022

The Board of Directors of SEGA SAMMY HOLDINGS INC.

KPMG AZSA LLC
Tokyo Office, Japan

Hidetoshi Fukuda (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Danya Sekiguchi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yoichi Ueno (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules (“the financial statements and the accompanying supplementary schedules”) of SEGA SAMMY HOLDINGS INC. (“the Company”) as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our

knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures,

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Audit Report

The Audit & Supervisory Board has received the reports of the audit procedures and results concerning the execution of the duties of the Directors during the 18th fiscal year from April 1, 2021 through March 31, 2022 prepared by each of the Audit & Supervisory Board Members. After discussing the reports, we have prepared this Audit Report and report as follows.

1. Procedures and details of the audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board established the audit policy, allocation of duties, and other relevant matters, and received reports from each Audit & Supervisory Board Member regarding the implementation of audits and results thereof, as well as reports from the Directors, other relevant personnel, and the independent auditor regarding the execution of their duties, and sought explanations as necessary.
 - (2) Each Audit & Supervisory Board Member complied with the auditing standards for Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the audit policies, allocation of duties, etc., communicated with Directors, the internal audit department, and other employees, as well as worked to enhance environment for information collection and auditing, while conducting the audit by the following methods:
 - 1) Each Audit & Supervisory Board Member participated in meetings of the Board of Directors and other important meetings, received reports from the Directors, employees, and other relevant personnel regarding performance of their duties, and sought explanations as necessary. We examined important authorized documents and associated information, and investigated the operations and assets at the head office and principal offices.

With respect to subsidiaries, we communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other relevant personnel of the subsidiaries, and received business reports from the subsidiaries as necessary.
 - 2) We received the periodical reports from Directors, employees, and other relevant personnel, sought explanations as necessary, and expressed our opinions on the status of development and operation of the system for ensuring that the execution of the duties of the Directors conforms to the relevant laws and regulations and the Articles of Incorporation, as well as the details of the resolutions of the Board of Directors regarding the organization of the system stipulated in Article 100, Paragraph 1 and 3 of the Enforcement Regulations of the Companies Act and the status of the system (internal control system) based on said resolutions, a necessary measure for ensuring proper business execution by a joint stock corporation and a corporate group consisting of its subsidiaries.

As to the internal control system associated with financial reports, we received reports from Directors and the independent auditor, KPMG AZSA LLC regarding the evaluation of the internal control and its audit, and sought explanations and expressed our opinions where necessary.
 - 3) We monitored and verified whether the independent auditor maintained its independence and implemented appropriate audits, and we received reports from the independent auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the independent auditor that “systems for ensuring that duties are performed properly” (matters set forth in each Item of Article 131 of the Corporate Calculation Regulations) were maintained in accordance with the “Quality Management Standards Regarding Audits” (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report and supporting schedules, financial statements (balance sheet, statement of income, statement of changes in net assets, and notes to non-consolidated financial statements) and supporting schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the current fiscal year.

2. Result of audit

(1) The Report of Business Operations

- 1) In our opinion, the business report and supporting schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company’s condition.
- 2) With regard to the execution of the duties of the Directors, we have found no evidence of wrongful

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

action or material violation of the relevant laws and regulations, nor of any violation with respect to the Articles of Incorporation.

- 3) In our opinion, the contents of the resolutions of the Board of Directors regarding the internal control system are fair and reasonable. In addition, we have found no matters on which to remark in regard to the execution of the duties of the Directors regarding the internal control system, including the one associated with financial reports.
- (2) Audit result of the Financial Statements and supporting schedules
In our opinion, the audit procedures and audit results received from the independent auditor KPMG AZSA LLC are appropriate.
- (3) Audit result of the Consolidated Financial Statements and consolidated supporting schedules
In our opinion, the audit procedures and audit results received from the independent auditor KPMG AZSA LLC are appropriate.

May 13, 2022
Audit & Supervisory Board,
SEGA SAMMY HOLDINGS INC.
Yukito Sakaue, Standing Audit & Supervisory Board Member
Kazutaka Okubo, Audit & Supervisory Board Member (External)
Shione Kinoshita, Audit & Supervisory Board Member (External)